

A STUDY IN
CITY BUILDING
Davenport, Iowa

by
John Clark Fetzer



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Crayon drawing of Davenport between 1850 and 1860

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JOHN CLARK FETZER

A thesis submitted in partial fulfillment of the requirements for the Degree of Doctor of Philosophy, in the Department of Economics, in the Graduate College of the State University of Iowa

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He also wishes to take this opportunity to express his gratitude to Dean Chester A. Phillips and Professor George R. Davies for their friendly help and valued criticism.

PREFACE

Shortly before the end of 1943, a committee to study over-all community planning was named by the Davenport Chamber of Commerce. In their early meetings, this committee felt the need of a complete economic survey of their city in order to help them in their long-range plan. They wished to determine, if possible, the economic function of their city.

A delegation from this committee called upon the State University of Iowa requesting any assistance that might be given. After some consideration on the part of the University authorities, this study was undertaken.

Most of the research for this study was done during the summer of 1944. The latest United States Census figures were already old and probably inaccurate before this study began. No new census of manufacturing had been taken, or at least published, since 1939. The fact that Davenport and the Quad-Cities' factories were heavily engaged in war work made most of these old census figures of little value; however, these figures coupled with figures from previous census reports, going back to 1850 in some cases, helped establish the pattern and trend of Davenport's developments.

Much of the research consisted of personal interviews with various Davenport business and professional leaders. These men, several of whom are on the City's Planning Commission or members of the board of directors of the Chamber of Commerce, were exceedingly cooperative. Much of the information obtained from these men was of such a confidential nature that it cannot be positively stated in the survey. However, much of the information discovered in conversations or by examination of the books of various firms tended to confirm the information gathered from published documents. This was particularly true in regard to retail business. An examination of the break-down by types of merchandise of the department stores indicated a very pronounced emphasis on so-called shoppers' goods. A comparison of the sales of Davenport department stores with the national average of department store sales shows a heavy concentration of business in such items as ladies' ready-to-wear, shoes and household furnishings.

In the files and stalls of the Davenport Public Library were many old newspapers and city directories going back to 1852. In addition, there were several biographies and autobiographies written at different periods in Davenport's history by men who had spent their lives in the city. All these helped to give a clearer picture of the development of Davenport.

Without the friendly and enthusiastic cooperation of Davenport citizens and officials this study would not have been possible. It has been a pleasure to have had the privilege of working with them.

This unique study of the economic develop-
ment of Davenport, Iowa is presented to
you with the compliments of

CONTENTS

CHAPTER	PAGE
PREFACE	vii
I. HISTORY AND LOCATION.....	1
II. THE DEVELOPMENT OF RETAIL TRADE IN DAVENPORT.....	21
III. WHOLESALING IN DAVENPORT.....	37
IV. DEVELOPMENT OF DAVENPORT MANUFACTURING.....	43
V. AN ANALYSIS OF DAVENPORT AS A MANUFACTURING CENTER....	53
VI. CONCLUSION	67



Strategically located on the west bank of the Mississippi.

CHAPTER I

HISTORY AND LOCATION

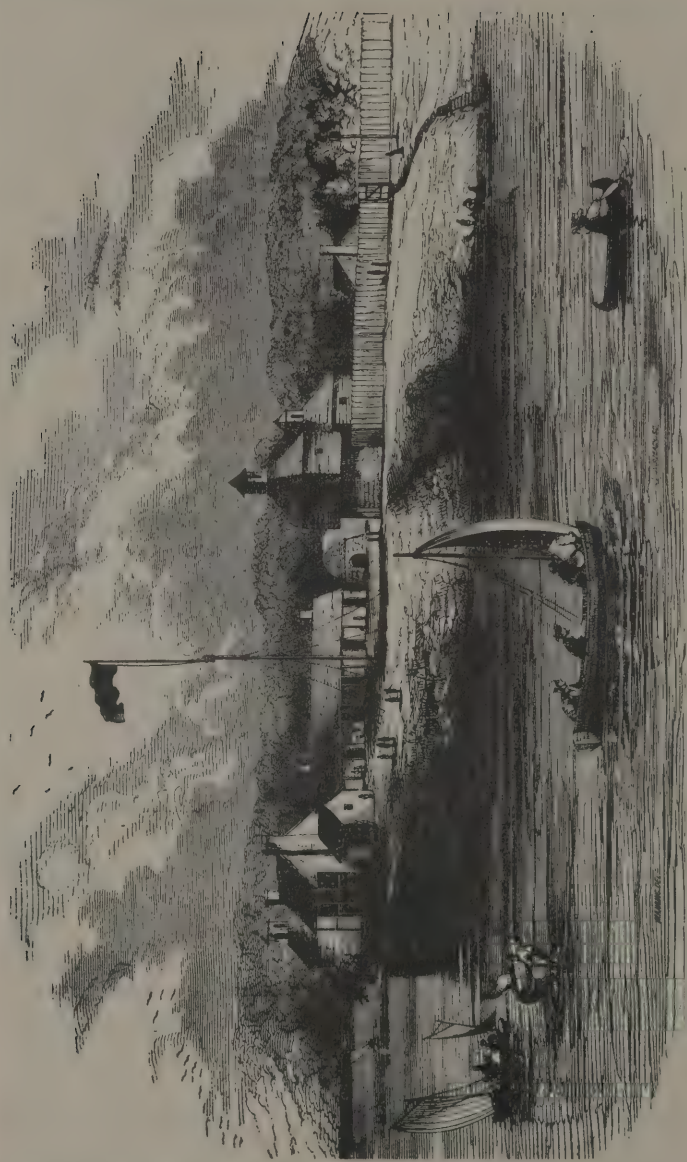
DAVENPORT, "Where the West Begins,"¹ is strategically situated on the west bank near the middle of the upper Mississippi River. One hundred ten years ago when Richard Cobden, British industrialist and statesman, visited the Mississippi River valley on a trip to America he said, "Here one day will be the headquarters of agriculture and manufacturing industry; here will one day centre the civilization, the wealth, the power of the entire world."²

The Mississippi River and its major tributaries, the Ohio, Illinois, Missouri and Wisconsin, formed the first great system of communication and commerce in the midland area of continental North America. As such, its importance was apparent to the earliest settlers and governments; and several wars, including the French and Indian War, the War of 1812 and the Black-hawk War, have at least been partially fought for its possession. The Indians called it "Massa-sippi,"³ which means "Father of Rivers." Our present name and designation of it as the "Father of Waters" can be traced to that origin.

The first white man to discover the river was Hernando De Soto, who claimed it for his monarch, the King of Spain, in 1541.⁴ However, Spain took no steps to hold it, and the French Jesuit priest, Pere Marquette, claimed it for France when he paddled down the river in 1673.⁵ France held sovereignty over the Upper Mississippi and adjoining territory until the close of the French and Indian Wars in 1769, when the territory east of the river was ceded to England and that to the west, to Spain. However, Spain's power was waning fast; and in the secret treaty of Ildefonso, Spain retroceded the entire Louisiana territory to Napoleon Bonaparte in 1800.

In the meantime, Kentucky and Tennessee having been admitted to the Union and with population and commerce growing rapidly along Mississippi tributaries, the problem of free access to the sea through New Orleans was becoming a serious one for the western colonists. The Pinckney Treaty of 1795 had temporarily solved the problem insofar as Spain was concerned, but the change of ownership to France nullified that treaty. As a result, President Jefferson sent Minister Livingston to France to attempt to buy New Orleans. Instead of New Orleans, the entire Louisiana territory was purchased in 1803 for \$15,000,000, a sum which is about equal to one-third of the retail business of the City of Davenport in a good year.

The first official representative of the United States to explore the Upper Mississippi was Lieutenant Zebulon Montgomery Pike,⁶ who later discovered the mountain that bears his name. Lieutenant Pike met death while leading a victorious charge in the War of 1812 — a war which was largely fought for possession of the lands he had explored, and a war that was, peculiarly, a



From original etching of Fort Armstrong in 1855.

western war.⁷ Pike's records indicate that he camped at the present site of Davenport on the night of August 27, 1805.

Although the United States had purchased Louisiana from the French, neither the English nor the Indians recognized the sovereignty of the purchase. The English were enjoying a profitable fur business with the Indians and had no intention of giving it up. As a result, the United States and England fought the War of 1812. The Indians, particularly the Sac and Fox tribes under the chieftainship of Blackhawk, helped the English in their war with the Americans.⁸ One of the first moves of the Americans after the close of the war was to seek a suitable site for a fort along the Mississippi.

An army expedition selected the tip of Rock Island as a strategic location, partly because of the proximity of Saukenuck, or Black Hawk's village, located near the mouth of the Rock River at approximately the present site of the town of Milan. Another reason for the selection of this site was the fact that the island was situated at the foot of the Upper, or Rock Island, Rapids. A fort at this location would command the Mississippi River and the mouth of the Rock River. This fort, known as the "Guardian of the Mississippi" and named Fort Armstrong in honor of the Secretary of War, was established in 1816.⁹

To this fort came three men in official capacities, two of whom were to play a major role not only in the development of the immediate region but in that of the entire Middle-West. The coming of the third was to precipitate one of the most important controversies in the history of the nation. While Colonel George Davenport, the Indian agent, and Antoine LeClaire, the interpreter, were to do much to shape the course of events, the action of Dr. John Emerson,¹⁰ the post surgeon, in bringing his slave, Dred Scott, into "free" territory started the famed controversy that was only ended by a decision of the Supreme Court of the United States in 1854.

It was LeClaire, the interpreter — the son of a French Canadian trapper and an Indian chief's granddaughter — who laid out the original town sites, which he named for his English-born friend, Colonel Davenport.¹¹

Fort Armstrong was to play an important part in the life of the Mid-West for the next twenty years. It served as a protection against the Indians for the pioneers who were settling nearby and as a center of commercial and social life for the entire region. It was the first important port of call when that first steamboat to ascend the Mississippi River, the *Virginia*, made its first voyage up the river in 1823.¹² Because of its location at the foot of the Rock Island Rapids, it was a point at which ships were lightened. Colonel Davenport's home became the center of life for the entire region between St. Louis and Fort Snelling. It was there that many of the plans that were to shape the course of the nation were first discussed, including the first dream of a railroad to connect the Great Lakes with the Mississippi.

The real history of Davenport as a city begins after the close of the Blackhawk War, although there were several settlers on the present site even before



Colonel George Davenport

that. Both LeClaire and Colonel Davenport had claimed property on the west bank, and early explorers had found a large and prosperous village known both as Morgan and Oshkosh located there. Poweshiek was the last chief of Morgan.

The Blackhawk War of 1831 and 1832 was not much of a war as wars go and perhaps does not reflect too much credit on American arms, but the results were as decisive as any war in our history. Because of this war, the American pioneers obtained possession of the Upper Mississippi River Valley from the Indians. Blackhawk was taken prisoner,¹³ and Keokuk, who had favored the Americans both during the War of 1812 and the Blackhawk War, had been installed as chief. On September 21, 1832, at what is now Davenport, the treaty known as the Blackhawk Purchase was signed. General Winfield Scott represented the government, Keokuk, the Indians, and Antoine LeClaire served as the interpreter.

The Indians agreed to move all their tribes west of the Mississippi River and ceded 6,000,000 acres to the United States. Keokuk insisted on reserving 1,000 acres on which the negotiations took place and gave them to Marguerite, the wife of his great friend, Antoine LeClaire, with the stipulation that a home be built on the site of the treaty. LeClaire did build a house, and it later became the first station of the first railroad west of the Mississippi, "The Mississippi and Missouri," now a part of the Rock Island System.

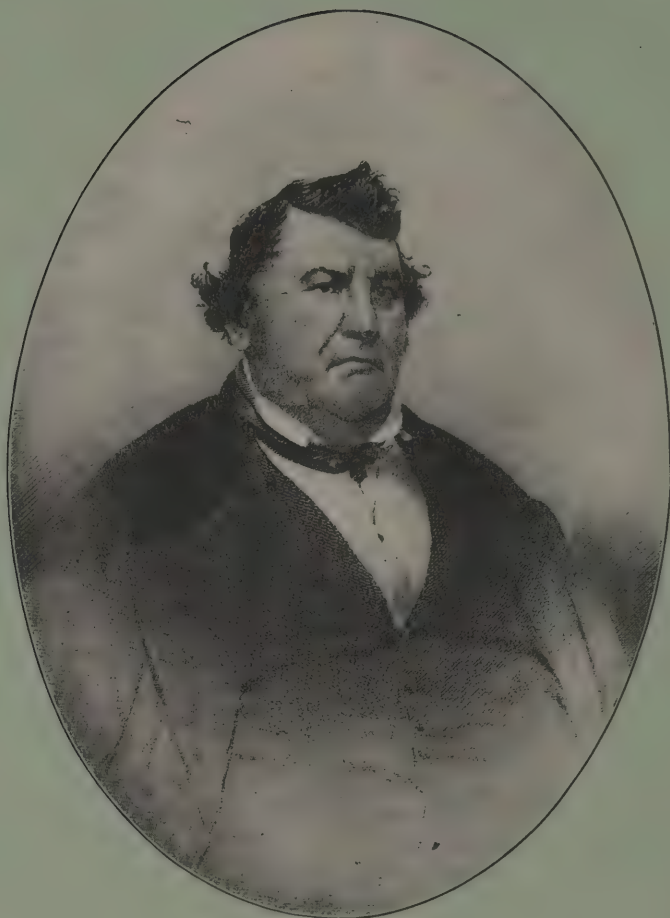
This slightly more than one square mile of land became the original town site of the present City of Davenport and today contains the main downtown business section. In 1835 and 1836, LeClaire laid out the town, which he named for his friend, Colonel Davenport. In the late summer of 1836,¹⁴ the first land auction was held at which time sixty lots were bought, mostly by St. Louis land speculators.

The rest were then sold to a syndicate of which LeClaire and Davenport were the principal members. In 1838, Davenport was incorporated as a City in Scott County, in the newly created Territory of Iowa.¹⁵

Davenport was not the first community established west of the river, but much of the development of the West began in Davenport. The first bridge across the Mississippi; the first railroad west of the Mississippi; the first national bank in the United States to open its doors under the new National Banking Act; the first nationally known radio broadcasting station; and many other "firsts" made it truly the First City of the New West.

There were two factors which were largely responsible for its preeminence. These were its strategic location and the genius and vision of some of its early settlers, many of whom were first attracted to Davenport by its natural beauty and manifest destiny.

Most great cities are found at either a break in transportation or a natural crossroads, or both.¹⁶ Davenport is at a crossroads and a break in transportation on both roads. The river itself served as a break in land travel prior to the building of bridges, and the Rock Island Rapids served as a partial break in



Antoine LeClaire

river transportation. Prior to the building of the railroads, the river was the great highway of commerce. When the first bridge was built, Davenport found itself at the crossing of these two great arteries. It was largely due to the vision of such men as Antoine LeClaire, Colonel Davenport, Hiram Price, Judge Grant, J. M. D. Burrows and others that the first railroad to the West was built.

Most of America's great inland river and lake cities are situated on the west bank of the river: St. Louis, Minneapolis, Omaha, Detroit and Davenport. This is largely due to the way our population moved from east to west. It was necessary for these pioneers to look back to the East for their supplies and markets. Because of the barriers created by the rivers, the trading centers which served the pioneers were located beyond the barrier, inasmuch as all their supplies were boated in and it was just as easy for the boat to unload cargoes on the west bank as on the east.

Nearly all of our regional trading centers are located at or near the eastern edge of the region. This again is largely due to the pattern in which our population migrated to the West. As the pioneers opened up new regions, they were forced to look to the East for supplies and markets. These regional trading centers served as a funnel through which agricultural products were collected and concentrated for shipment back East. In like manner, the products of the East were sent to these centers in bulk and separated there for distribution. This pattern, once established, has continued on into the present time.

Davenport is favorably situated to serve as a regional trading center or, perhaps, a front door to a rich agricultural area. Davenport is near the eastern edge of the inner corn belt,¹⁷ one of the largest food-producing regions in the world. It is also about half-way between the northern and southern edge. The country directly behind Davenport is primarily agricultural and was recognized as such by the earliest pioneer settlers, whereas the early settlers around Dubuque were primarily interested in the lead mines. As a result, the early businessmen of Davenport devoted their energies to the serving of the agricultural population. Perhaps the perishable nature of their produce caused them to be considerably more aggressive in promoting a railroad to the East than those who were shipping non-perishable minerals.

Usually the first manufacturing establishment in a pioneer community is a saw mill. This was true in Davenport. The earliest industrial establishment in the Davenport area was a small water-power saw mill on Duck Creek set up by Captain W. B. Clark in 1836.¹⁸ Two years later, John Sullivan started a steam saw mill at Rockingham. This also made use of local timber at first. Both of these mills were kept busy furnishing lumber for the rapidly growing community. From this humble beginning, making use of local timber, the lumbering industry of Davenport grew and prospered until 1892, the peak year, when the city's saw mills produced 84,850,000 feet of lumber and over 15,000,000 shingles.¹⁹ Practically all of this was absorbed in the building of



Lindsay & Phelps saw mill, built in 1866.

the cities, towns and farms of the rich hinterland served by the Rock Island Railroad. The log rafts of the Mississippi that supplied the hungry saw mills of Davenport and other river towns have furnished American literature with many a saga of fact and fantasy.²⁰ Many of the great fortunes and industries of the country were started in the lumber industry of that period.

The same year that Captain Clark established the first saw mill, James McIntosh²¹ opened up the first store and Antoine LeClaire became the first postmaster. Two years later, J. M. D. Burrows, a young man from Cincinnati who was to play a large part in the industrial, commercial and financial life not only of Davenport but of the entire Mississippi Valley region, first visited Davenport on a trip to Rock Island, then known as Stevenson.²² He was so favorably impressed with the little village of 150 people and the prosperous appearing countryside that he decided to make it his future home.

He, therefore, returned to Cincinnati, closed out his affairs, and returned with his two brothers and brother-in-law. He settled on some farm land and soon produced a surplus of garden vegetables. He had his young brother David, probably the first fresh food salesman in the city, load these in a wagon and peddle them from house to house. At the close of the growing season, he returned to his former home to finish closing his affairs and collect some money due him. Seeing an opportunity for trade, he laid in a supply of groceries, dry goods, boots and shoes, and other sundries.

Out of this humble beginning there grew a business that not only included large-scale mercantile operations but also flour milling, pork packing, cooperage, produce forwarding and even bank note issue. Although his enterprise failed in the crash attending the panic of 1857, much of the subsequent development of the city was based on the foundations he laid.

The population of Davenport has shown a steady, although not particularly uniform, growth. By 1840, the population was about 600, which grew to 1,848 by 1850, when the first United States census was taken in the new State of Iowa. However, in the next ten years, the population increased 510 per cent to 11,267.²³ (See charts on pages 16 and 17.) A large part of this great increase was due to the influx of German immigrants, refugees from the Revolution of 1848. These refugees made good citizens in their new homes and made a great contribution to the cultural and economic life of the community. Many of the leading families of Davenport today are the direct descendants of these German immigrants who came to Davenport during that and the following decade. They were largely Schleswig-Holsteiners, although there were some Bavarians and Prussians also. At the same time, a few Hungarians, led by Nicholas Fejervary, were attracted to Davenport because of the resemblance of the Mississippi to the Danube and the bluffs of Davenport to their native Budapest. They, too, brought much to enrich the life of the city.

Shortly after the close of the Blackhawk War, Fort Armstrong was decommissioned as a fort because there was no further need for a fort at that



Birdseye view of Rock Island Arsenal in 1864.

location. The frontier was rapidly moving westward, and the forts were needed there. However, the government retained possession of the island; and largely through the efforts of Jefferson Davis,²⁴ who was then Secretary of War, the island was appropriated by the federal government to become a permanent arsenal for the army in the West. If he had realized the part that Rock Island Arsenal and the Mississippi River were to play later in the defeat of the Confederacy, he might not have been so anxious to see the government retain it. Besides contributing weapons to the Union Army, Rock Island Arsenal had one of the largest military prisons for Confederate prisoners of war. The fort, prison and arsenal have played a prominent role in five of our country's wars as well as making a distinct contribution to the region in the intervening times of peace. The present operations of the arsenal fall into the category of military secrets, and the magnitude of its contribution to the war effort of the United Nations in World War II must wait for future disclosure.

Prior to 1854, Davenport was largely dependent on the river for its contacts with the outside world. Most of the early settlers arrived in the region by boat. The freight was shipped in and out by water. As a result, trade and commerce were largely oriented toward St. Louis with New Orleans and Cincinnati as secondary markets. Because the river was frozen over for several months each year, it was necessary to adjust business life to the fact that the city would be virtually cut off from the rest of the country for several months. In addition to the winter freeze, there were frequent periods in the summer months when traffic was hampered by low water, as well as the hazards of the upper and lower rapids. In 1837, a young army lieutenant of engineers whose name was later to be carved on many monuments, Robert E. Lee,²⁵ was dispatched by the War Department to determine the most practical way to eliminate the hazard of the rapids. It was nearly one hundred years before this hazard was corrected by the present nine-foot channel.

Because of the unsatisfactory state of affairs, it is small wonder that in the spring of 1845 a meeting was held on Rock Island in the home of Colonel Davenport to make plans for the building of a railroad from Chicago. Among those present were Judge James Grant, Ebenezer Cook, A. C. Fulton, and Antoine LeClaire, a Mr. N. D. Elwood of far-away Joliet, Illinois, and Richard P. Morgan, an engineer from Chicago.²⁶ This meeting was really the birth of the Rock Island Railway, although Colonel Davenport was not destined to live to see this great dream realized, for in that same year he was murdered in his home by a gang of prairie bandits from Nauvoo, Illinois.

However, the seeds planted in this meeting bore fruit, for nine years later, the first railroad to connect the Mississippi River and the Great Lakes was completed to Rock Island, and two years later, in 1856, the first bridge to cross the river was completed. At the same time that the railroad was being built from Chicago, a new railroad, the Mississippi and Missouri, was being projected and built from Davenport to Council Bluffs. One of Davenport's leading

citizens who was later to become secretary of the Rock Island Railroad, Hiram Price, was the man charged with the job of selling the towns along the proposed new railroad the desirability of having one. Judge Grant of Davenport was the first president of the Mississippi and Missouri and was also president of the firm charged with the early organization of the Rock Island, incorporated in 1847.

The building of a railroad made many changes in the orientation and tempo of economic life of Davenport. Chicago now became the great market and financial center. There was no further necessity to hold grain and frozen meat over the winter. There was no longer any need for a large amount of capital to carry on the produce business. Although freight rates were high—twenty cents a bushel on grain from Davenport to Chicago²⁷—the trains were faster and surer. St. Louis and the steamboat owners tried hard to impede the progress of the railroad and particularly the bridge, but were not successful for long.

Fifteen days after the first train crossed the new Rock Island bridge, the steamboat *Effie Afton*,²⁸ while proceeding upstream, became unmanageable when about 200 feet above the bridge and crashed into a pier. The crash upset a heating stove and set fire to the boat and the bridge. The owner of the boat, one Hurd, brought suit against the bridge company and tried to have it declared a barrier to transportation and removed.

The case was tried in the United States District Court, Justice MacLean, in September, 1857, and resulted in a jury disagreement. Abraham Lincoln was the principal attorney for the bridge company. His services were secured by Mr. Norman B. Judd, chief counsellor for the railroad, who three years later was to nominate him for the Presidency of the United States in the Republican convention held in the Wigwam in Chicago.

Although this particular case ended in a disagreement, it attracted widespread interest; for Congressman J. W. ("Long John") Wentworth, in an impassioned plea before the House of Representatives for the maintenance of the bridge, succeeded in having Congress instruct the Committee on Commerce to investigate and report if the railroad bridge across the Mississippi River at Rock Island was, in fact, a serious obstruction to the navigation of that river. In the meantime, other court suits were pending, but finally in December, 1862, the United States Supreme Court forever settled the controversy in favor of the bridge.²⁹

Any consideration of the economic development of Davenport must take into consideration also the development of the neighboring cities of Rock Island and Moline. Rock Island, then known as Stevenson, was an established village even before Fort Armstrong was set up. It was a trading post practically across the Rock River from Black Hawk village, or Saukenuck. As the Mississippi River developed into a great lumbering industrial region, Rock Island developed with it, particularly after 1851, when Frederick Weyerhaeuser and P. C. A. Denkmann established their first saw mill at Rock Island.³⁰ Rock

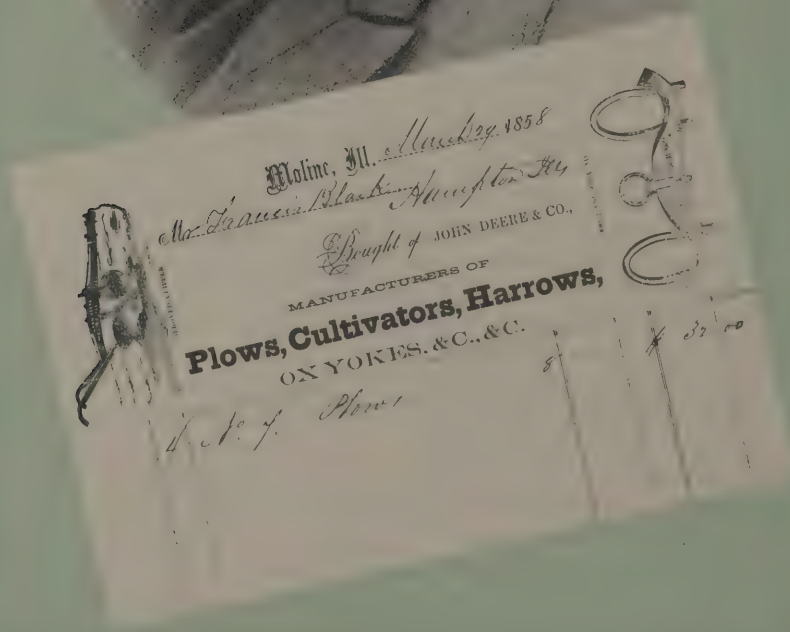
Island, which today is a manufacturing city, owes much of its present importance to the activities of this pair. Coupled with the early lumber industry, Rock Island was the first terminal and later the division point for the Rock Island Lines. Despite the fact that the large railroad shops are now located at Silvis, east of Moline, Rock Island is, and has been for more than ninety years, an important railroad city.

Much of the industrial development of the Quad-Cities centers around the growth of Moline, the "City of Mills." In turn, present-day Moline is largely due to the decision of John Deere to move his Grande de Tour Plow Company nearer the great agricultural prairie in 1847.³¹ He selected Moline because of the water power furnished by the Rock Island or Upper Rapids. At the foot of the rapids, the Mississippi River splits into two channels to go around Rock Island. The southern channel, which bordered Moline, furnished a source of water power which attracted early industry to the town. The early mills made extensive use of this source of power.

Mr. Deere operated all of his machinery, which consisted largely of grinding wheels, by water power. The high quality of the product, coupled with the tremendously expanding market furnished by the rapidly growing frontier of prairie land, enabled the John Deere Company to expand and prosper until today it is one of the greatest agricultural implement manufacturing companies in the world, with seventeen factories, five of them located in Moline and East Moline. The success of this enterprise attracted other similar manufacturers, until today the Quad-Cities are recognized as the agricultural implement capital of the world. The bulk of this production is in the three Illinois towns, although several Davenport manufacturers find profitable the making of parts.

The early financial history of Davenport is a story of wildcat banks, wildcat currency and shinplasters. Davenport was established just after the charter of the Second United States Bank was allowed to expire by direction of President Andrew Jackson and the western land expansionist Democrats. The political party of the early settlers was Democratic. The Democrats of that period were opposed to large banks in general, and incorporated banks in particular. As a result, the first constitution of the state, 1846,³² expressly forbade the establishment of incorporated banks. The panic of 1837 had caused most specie to disappear, and the only money available was the depreciated paper money of the Free banks of Illinois. One of the early private banking firms was the firm of Cook and Sargent. They established a bank at Florence, in the territory of Nebraska, and issued the bank notes of that remote bank redeemable only at Florence, from their banking house in Davenport.

To help supply needed circulation to the money-starved area, J. M. D. Burrows had \$110,000 of bank notes issued which could be redeemed in merchandise at the store of Burrows and Prettyman.³³ He used this script to purchase the hogs and produce for his various enterprises. This, coupled with the few foreign metallic coins that found their way into the region, furnished the bulk



John Deere and original Deere & Co. bill of sale dated March 29, 1858.

of the monetary system of the entire West. This unsatisfactory state of affairs finally crashed in the panic of 1857, which did not reach Davenport until 1859.

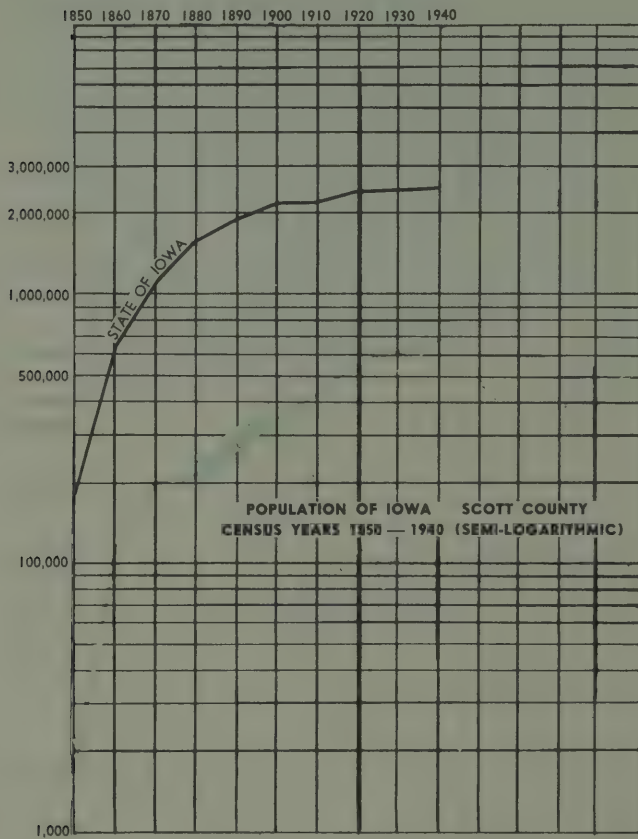
The second constitution of the State of Iowa corrected the weakness of the first, and created the State Bank of Iowa,³⁴ of which the headquarters was in Iowa City with one of its principal branches in Davenport. This gave Davenport and the state a stable bank. Hiram Price of Davenport, who was so active in the formation of the Rock Island Railway, served this bank with distinction for six of the seven years of its existence as its president. The bank liquidated without loss to its stockholders or public with the passage of the National Banking Act. On June 29, 1863, the first national bank in the United States,³⁵ the First National Bank of Davenport, opened its doors on the corner of Second and Main Streets and a new era in western finance commenced.

CHART A

POPULATION OF DAVENPORT AND IOWA BY CENSUS YEARS

Year	Iowa	Davenport
1850	192,214	1,848
1860	674,913	11,267
1870	1,194,020	20,038
1880	1,624,615	21,831
1890	1,912,297	26,872
1900	2,231,853	35,254
1910	2,224,771	43,028
1920	2,404,021	56,727
1930	2,470,939	60,751
1940	2,538,268	66,039

Sixteenth Census

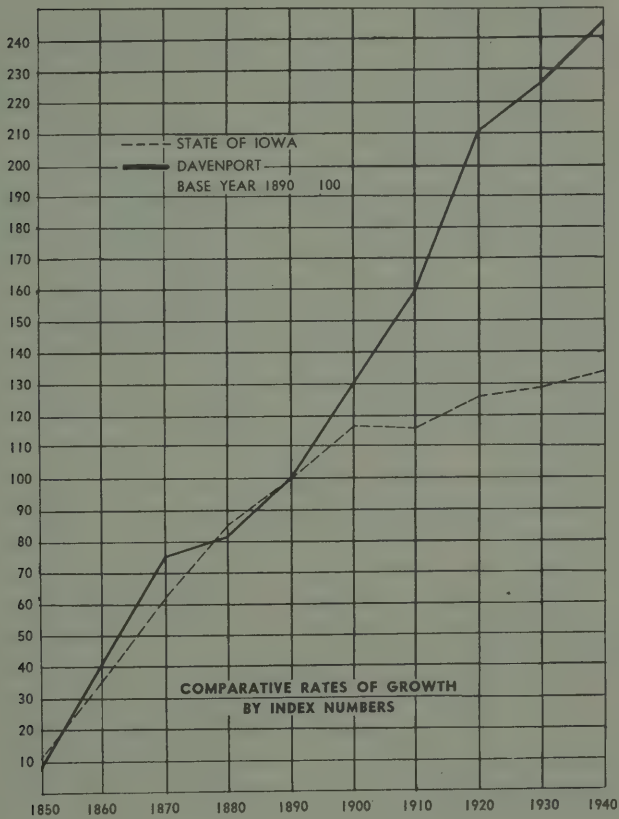


Davenport population indicated in green.

CHART B

RELATIVE GROWTH OF DAVENPORT AND IOWA FROM 1850 THROUGH 1940
 BASED ON INDEX NUMBERS USING 1890 AS 100

Davenport	Year	Iowa
07	1850	10
42	1860	35
75	1870	62
81	1880	85
100	1890	100
131	1900	117
160	1910	116
211	1920	126
226	1930	129
246	1940	134



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CHAPTER II

THE DEVELOPMENT OF RETAIL TRADE IN DAVENPORT

COLONEL DAVENPORT was primarily a trader. As Indian agent at Fort Armstrong, his principal work was trade with the Indians. The city which bears his name has largely grown up out of trade. The early citizens of Davenport, with a keen foresight, had the ability to a marked degree to recognize Davenport's function and cultivate its advantages. They recognized the simple fact that the great wealth of Davenport was to come from the rich soil at its back door. They recognized the fact that they and their city would prosper by serving this great agricultural domain.

The early settlers of Scott County were good farmers. They were not interested in mines or minerals, but grain and livestock. They found in this rich prairie soil their ideal of a future home. Many of the first settlers had migrated from Cincinnati and Covington, hilly country near a great river. They knew good farm land when they saw it. They appreciated the part that the river was to play in the development of the region, for they had come from river country. River steamboating, although embryonic, was being developed rapidly. They were aware of the part the steamer and keel boat were to play in the development of the upper Mississippi Valley because they had already seen it in their old homes. In fact, most of them came to Scott County by boat. They looked to the boat to bring them needed supplies and to take their produce to market.

These early pioneers were commercial farmers rather than subsistence farmers. In fact, most of them had gone heavily into debt to acquire the specie to buy their land and had to sell their produce to pay their debts. Specie was scarce on the frontier, but after 1837,¹ the government required it in payment for public lands. A high premium had to be paid to get it and high interest rates had to be paid to borrow it. Some of the early borrowers had to pay as much as fifty per cent a year for the money to take up their land. Naturally, the farmers tried to retire these debts as fast as they could. They were dependent on markets to sell their goods and to buy needed supplies. Davenport served as that double market then and has continued to perform that function ever since.

On June 30, 1836, a Captain John Litch of Newburyport, New Hampshire, opened up a "Whiskey Shop" in a one-room log cabin 16' x 20' near the foot of Perry Street. In addition to whiskey by the drink or bottle, he sold a general line of merchandise. A part of his original journal, or "Log" as he called it, has been preserved in the Barrows history.² One item lists a sale of two pints of whiskey at twelve and a half cents and six pounds of salt at two cents, total thirty-seven cents. This may have been the first retail establishment in Davenport, although James McIntosh is generally credited with establishing the first store in the city in 1836.

However, neither Captain Litch nor James McIntosh was to achieve the great prominence as merchants that was to come to another pioneer, J. M. D. Burrows.³ On a visit to Rock Island in July, 1838, he was so favorably impressed with the beauty and fertility of the country around Davenport that he decided to make that city his home. Upon his return to Cincinnati he disposed of some of his holdings and returned in October. On this trip, with a man named Owens, he bought out a squatter's claim for forty acres and claimed a half section of land in addition. Mr. Owens likewise acquired the same amount of land, which he subsequently sold to Mr. Burrows. After arranging to have a house built on his forty acres, Mr. Burrows returned to Ohio for the winter as it was too late to do any farming. In the spring he returned with his family to the city where he was to spend fifty years. During those fifty years, he was to make and lose several fortunes, but more important, he was to do much to make Davenport the city it is one hundred years later.

Many of the early settlers of Davenport were men of superior education. Antoine LeClaire himself had attended the Jesuit school which later was to become St. Louis University.⁴ John McDowell Burrows as a young man had attended Lane Theological Seminary to prepare for the Presbyterian ministry. However, not feeling suited for that calling, he had gone into the furniture business in Cincinnati.⁵ Being of the stuff of which pioneers are made, he had migrated at the age of twenty-four to seek his fortune in the West.

When Burrows returned to Davenport in the spring of 1839, he brought his two brothers, David and Lewis, with him. They soon had a fine garden growing, one that produced a surplus of vegetables. These David sold from house to house and enjoyed a good patronage. At the close of the summer, being concerned about Mrs. Burrows' health, J. M. D. Burrows determined to try his hand in the mercantile business. That winter, therefore, he built a frame building on Front Street from some oak trees on his place. As soon as the river opened up the next spring, he returned to Cincinnati to lay in a supply of goods. Largely due to the help of his cousin, John A. D. Burrows, who was one of the largest wholesale grocers in Ohio, he laid in a large stock. His store prospered and when he returned to Cincinnati in October to replenish his stock, he was able to purchase not only groceries but also a large stock of dry goods. With his new stock, he enjoyed not only the patronage of his neighbors but also that of the settlers from as far away as Linn, Clinton and Jackson Counties. Davenport was becoming the market place for eastern Iowa.

Money was scarce on the frontier in the forties and early fifties. The farmers needed supplies but had no money to pay for them. Recognizing the need of the farmers for a market for their produce, he bought all the wheat and hogs that were offered for sale in Davenport during the winter of 1840. There were four or five other merchants in the city at the time. They all said he was crazy and asked him what he would do with the produce. At first he did not know, but before the winter was out, he had had the wheat ground

into flour and had sold both the flour and hogs to a fur company and Indians at Prairie du Chien. Thus began Davenport's service to the farmers as a produce buying center. In 1846, Mr. Burrows built the first flour mill in the city.

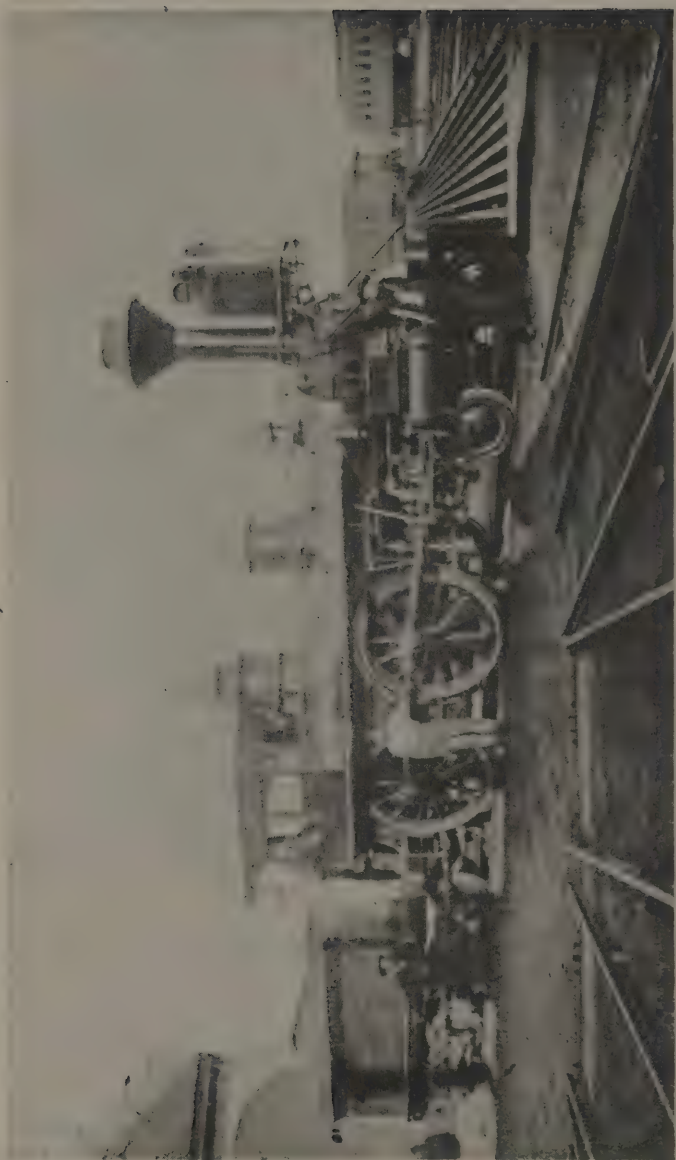
At first, Burrows followed the practice of paying the farmers in cash for their produce. However, during the winter of 1853-4, his purchases were so heavy that the local private banks could no longer accommodate him. He was the only produce buyer who was paying cash, and wanted to continue as this gave him a favored position. However, when the banks could no longer supply his needs, he started giving post-dated checks in payment. These checks were payable after the opening of navigation in the spring. However, they could be used to purchase merchandise at the store of Burrows and Prettyman, for in 1843 Mr. Burrows had taken Mr. R. M. Prettyman, his clerk, into partnership. Mr. Burrows really understood the nature of credit money.

The large-scale buying operations of Mr. Burrows attracted farmers from all over eastern Iowa. After they had sold their produce, they would buy whatever supplies they needed before returning to their homes. Settlers from as far west as Iowa City turned to Davenport as their trading center, starting a pattern that has continued for one hundred years. Although Burrows and Prettyman had the largest and best known mercantile establishment, they were not the only merchants. Other firms entered into the produce buying and forwarding business, particularly after the Rock Island Railway opened up a new avenue of commerce to Chicago. The opening of the railway brought many newcomers into the produce business. Mr. Burrows makes the following comment in his book:

"The opening of the Chicago and Rock Island Railroad rather bewildered me. It revolutionized the mode of doing business. Heretofore, a few men at each business point had done the bulk of the business required and a great deal of money and good credit were necessary. We always had been compelled to hold our accumulation from November to April, and not many had either the nerve or the means to do it.

"When the railroad got into operation, produce men were as thick as potato-bugs. If a man could raise two hundred fifty dollars, he could begin business. That amount would buy a carload of wheat. In the morning he would engage a car, have it put where he could load it and have the farmer put his wheat, barley, or oats, as the case might be, in the car. By three o'clock in the afternoon the car would be loaded and shipped.

"In the pork season it was the same way. As I have said before, the hogs in those days were brought in ready-dressed. A produce dealer would place a scale on the sidewalk in some convenient place, weigh his hogs as he bought them, pile them up on the sidewalk, and, in the afternoon, load them up and ship them. Dealers were at no expense of rent or labor."⁶



The "John A. Dix," one of the first engines west of the Mississippi

Despite the problems it created for Mr. Burrows, the railroad made Davenport even more of a trading center than it had been. Competition between Iowa City and Muscatine for a position on the railroad caused two lines connecting at Davenport to be built—the so-called Main Line running through Iowa City and the Southwestern Division running through Muscatine. Although Rock Island remained the division point, Davenport was and still is the junction point where these two lines join. Shortly after these lines were built, the Burlington, Cedar Rapids and Northern was built, crossing and joining the Rock Island at West Liberty. This line was also soon acquired by the Rock Island as had been the Mississippi and Missouri. This meant that all through traffic on the line from west to east was funnelled through Davenport. Also, Davenport became the logical place to consolidate shipments and a gathering place for farmers with produce to sell.

Because the railroads usually arrange their schedules to allow for morning arrivals and afternoon departures at the terminal cities, the train schedules have favored Davenport as a shopping center at the expense of cities to the west. It is a simple matter for a shopper to leave his home, if it is to the west of Davenport, in the morning, spend the bulk of the day in Davenport and return to his home the same evening. However, if he wishes to shop in some center to the west of his home, he must go over in the evening, spend the night there, perhaps the entire next day and night, and return to his home the second morning. The schedule of the present-day Des Moines Rocket and other trains on this line indicate that it is simpler for shoppers from as far west as Newton to visit Davenport for their shopping than Des Moines, if they are compelled to depend on trains for transportation. When the public can again make use of their automobiles, this advantage will not be so great. An examination of the charge account lists of certain Davenport stores reveals active accounts in Iowa City, Marengo, Grinnell and even Newton. Many of these accounts have been active for many years.

As a retail center, Davenport has been the beneficiary of the industrial development of Moline and Rock Island. Because of the early emphasis on serving the pioneer farmers on the west side of the river, it was necessary for Davenport's stores to carry large and diversified stocks of goods. As early as 1836, regular ferry service was instituted between the two sides so that communication between the cities has been simple. Twenty years later, the first bridge⁷ was built, making it simpler. Today there are three bridges, one free and two toll, bringing people into Davenport to the downtown section.

Davenport is the shopping center of the Quad-Cities. A walk through the retail district of each of the cities indicates that fact. The heart of the retail district in Davenport is on Second Street between Perry and Harrison Streets. In these three blocks, on both sides one finds department stores, ladies' ready-to-wear, men's furnishing stores, furniture stores and the like that seem strangely out of place in a city the size of Davenport. It would not seem that a

city of 70,000 could support so many stores of that caliber. These stores have a prosperous and well patronized look. Most of them are crowded at any time. There is no comparable district in any of the other cities.

The United States Census⁸ reports indicate that Davenport has thirty-seven and seven-tenths (37.7) per cent of the population of the Quad-Cities, has thirty-five and six-tenths (35.6) per cent of the number of stores, does forty-five and eight-tenths (45.8) per cent of the retail business, and pays out forty-nine and four-tenths per cent (49.4) of the total payroll of retail employees. (See Chart A on page 32.)

The breakdown of the United States Census Bureau report by classes of merchandise sold gives a more complete picture of how Davenport dominates the retail trade of the Quad-Cities area. In the convenience goods lines of sales, items that people usually buy near at home for the sake of convenience, Davenport's percentage of the business is not abnormally high; although the only items where the percentage of sales runs at or below the percentage of population, thirty-seven and seven-tenths (37.7) per cent, are building materials and the sales in drinking places. (See Chart B on page 33.) At the other extreme, strictly shoppers' items, articles that people shop for rather than buy at most convenient places, such as ladies' ready-to-wear, show clearly that Davenport is the favorite place to buy. In the field of ladies' ready-to-wear, Davenport's sales are seventy-three (73) per cent of the total; accessories, sixty-seven and fifty-five hundredths (67.55) per cent; and furniture, sixty-one (61) per cent. (Chart B.)

An examination of sales records of the two leading department stores indicates the same general trend. Based on figures representing the average of all department stores in the country, these stores show an abnormally high percentage of sales in such categories as ladies' high-priced dresses, shoes, millinery and household furnishings. In the exclusive ladies' apparel shops, those stores catering to the higher-priced trade appear to be prosperous.

In addition to the stores doing a rather general business, certain highly specialized dealers have located their business in Davenport to serve the entire area. One of the largest and best known retail furriers in the Mid-West is located in Davenport as is a prominent dealer in Oriental rugs, tapestries, and *objects d'arte*. The branch offices of well-known national sales organizations such as Burroughs Adding Machine, National Cash Register and Remington Rand as well as the Quad-Cities' sales offices of a number of the largest life insurance companies are also located on the west bank of the river.

A single bus company serves the region: The Tri-City Lines. This company operates bus lines in each of the cities and certain lines that connect the several cities. Both the Bridge Line that connects Davenport and Rock Island and the Moline Line that connects Moline, Rock Island and Davenport, run through the heart of the retail district on Second Street. It is a simple matter for a

shopper to come over the bridge on the bus, do his shopping in a Davenport store and return to downtown Rock Island or Moline.

Davenport's retail shopping district is conveniently located for out-of-town shoppers. One can walk from the Rock Island Railway station to the heart of the retail district, approximately two and one-half blocks, in less than five minutes. The Union Station, used by the Burlington and Milwaukee roads, is even closer to the business district. There are two bus depots, both on Perry Street, one between Second and Third, and the other between Third and Fourth. For those who come by automobile, the main highways to Clinton and Muscatine connect with Second Street, and the connection with Highway Six is on Brady Street. This forms one of the two principal corners of the retail district. There is free parking space provided on the levee at the foot of Main and Brady Streets, one block from Second. There are two privately owned commercial parking lots within one and one-half blocks.

On Third Street, one short block from Second, and within the same general east and west limits, is found the recreation district. In this area are found the two principal theaters, the two leading hotels, the best known eating places and the favorite drinking spots. Stores stay open until five forty-five on all nights except Monday, when they remain open until nine. This permits out of town shoppers to come to Davenport by train, shop and still return home the same evening. Road shows, when they come to Davenport, play at the Orpheum, which is located in the middle of the most important recreational block, approximately one-half block from each of the two leading hotels.

Some disadvantage accrues to Davenport out of the differences in the liquor laws of Illinois and Iowa. As a result much of the "dine and dance" trade, except of course in private clubs, goes to the Illinois side. The same facilities, which make it easy for shoppers from Rock Island and Moline to visit stores in Davenport, make it equally easy for night club patrons from Davenport to visit "dine and dance" spots on the Illinois side. Although several Davenport restaurants and most Davenport bars serve liquor, they do not have orchestras for dancing. It is doubtful if a really high-grade establishment, featuring floor shows and dancing, such as is usually found in a major shopping area would be established in Davenport under existing circumstances because of the risks involved. Yet it would appear that such a place, serving good foods and liquors with a dance orchestra and floor show, would do a big business. If attractively and tastefully furnished, a fine restaurant and night club would be well patronized and would attract people to Davenport from other points. Some shoppers who now go on to Chicago might come to Davenport more often. As it is, several of Davenport's restaurants, which serve both liquor and good food in attractive surroundings but do not have facilities for dancing, draw considerable business from Illinois as well as Iowa communities in the area.

In certain other recreational facilities, Davenport is more favorably situated. The Levee District, which borders the shopping district, is equipped with a municipal natatorium, an open-air band stand, a public park and a municipal stadium. At the present time, there is no team that regularly uses this stadium for baseball, but the management has been able to schedule many night games of touring teams. During the summer of 1944, a number of regular league games of the National Negro League of Professional Baseball Teams have been played there. These games have been well attended, several drawing over 7,000 spectators. Davenport promoters hope to secure a franchise for a regular league team when league baseball is reorganized after the war. This stadium, situated on the levee at the foot of the Centennial Bridge, is unusually accessible by auto and bus for visitors from Moline, Rock Island, Muscatine, Clinton and other nearby cities as well as Davenport citizens.

In the Davenport Municipal Art Gallery and the Davenport Museum, the city has two fine attractions, although both are poorly situated for visitors. The Museum, particularly, is wretchedly housed in an old church building that does not permit proper display of its treasures. Neither building has adequate parking facilities for visitors, although the Art Gallery is the worse off in this respect. One worthwhile postwar project for the city would be proper fireproof housing for these two collections where they could be properly appreciated. If so, the buildings should be so situated that they would attract out-of-town visitors. For that reason, either some spot along the levee, near the band shell and stadium, or a site in VanderVeer Park should be considered. It would seem desirable to arrange the hours so that they would be open to the public in the evening.

Another cultural asset of the City of Davenport is the Tri-City Symphony Orchestra. This ensemble of professional and skilled amateur musicians has been giving regular performances in the city for a number of years. The conductor and a number of key first-desk musicians, including the concert master, are recognized professional performers who do not live in the immediate area, but who travel to and from Davenport for rehearsals and concerts. This strategic reinforcing of the orchestra enables them to perform major symphonic works in a manner that brings credit to the community.

At the present time, the orchestra plays a regular series of subscription concerts on occasional Sunday afternoons during the winter season. These concerts are held at the Masonic Auditorium. It has been suggested that this regular winter season be supplemented by a summer series of concerts to be held on the river front in LeClaire Park. The success of similar summer series in such cities as Washington, D. C., and Chicago would seem to indicate that a series of summer concerts could be enjoyed. The open-air shell in LeClaire Park offers a suitable place and these facilities do not appear to have been used to any great degree. Davenport's early culture grew out of the music of Father Pelamourgue and Antoine LeClaire in St. Anthony's Church.⁹ This cultural

heritage has carried through the years and it would appear desirable to perpetuate it.

Davenport would seem to be well equipped to handle medium-sized conventions of around five hundred people or less. Larger groups would severely overtax its facilities. The three leading hotels, the Blackhawk, Davenport and Mississippi are owned by the same company, the Blackhawk Hotels Company. In normal times, these three hotels in concert could accommodate five hundred extra guests without overcrowding. The Blackhawk is equipped with meeting rooms of various sizes, the largest of which can seat five hundred for a meeting without difficulty, although it is overcrowded to serve that many at a banquet. However, if necessary, the Masonic Auditorium can be used for larger groups and dinners. This has a seating capacity of 3,000. It appears that the one drawback of Davenport as a convention city is the lack of good night-club facilities.

There is some talk among Davenport businessmen of reviving the old Mississippi Valley Fair as an annual event. If proper facilities for display and recreation were provided, this could become a distinct asset to the city. It should attract many visitors, particularly farmers. If properly advertised, many of these visitors could be persuaded to avail themselves of the shopping and cultural opportunities afforded by the city. At the present time, the Agricultural Service Committee of the Chamber of Commerce attempts to have a few meetings for farmers each year, bringing in speakers of importance and holding dinner meetings at the Masonic Auditorium. The attendance at these meetings is frequently affected by the weather.

It seems that Davenport is adequately equipped to purchase what the farmer has to sell. The practice of the large meat packers of sending stock buyers out to the producing area to buy stock and arrange for truck transportation to the packing center has eliminated much of the old forwarding business. Because of this change in technology, and because of the proximity of the great Chicago Stock Yards, it would not appear that Davenport needs stock yards, and it is questionable whether or not one would be profitable. Because most farmers do not haul their own livestock to market but rely on professional haulers, it would not appear that the absence of stock yards is a serious handicap. There is one pork-packing plant, the Kohrs Packing Company, situated in Davenport. This is an old-established firm which enjoys good patronage. However, this plant is completely surrounded by other industrial concerns, so it is doubtful if it could be expanded without moving to a new site.

Northeastern Iowa is becoming of increasing importance as a dairy section, and Davenport is serving that interest by two creameries. Both the Beatrice Creamery Company, a large national organization, and Illinois-Iowa Milk Producers Cooperative Association operate plants at Davenport. Both of these plants produce butter and other milk products for the national and export market. The large population of the Quad-Cities furnishes a fluid milk market

that requires the purchase of some fluid milk from the nearby Chicago milk shed. As a result, it would appear that the Davenport milk shed could be expanded even more. At the present time it is largely contained in Scott County, with some extension into Muscatine.

One large flour mill, the largest in the state, and a large branch plant of the Ralston-Purina Company of St. Louis furnish an outlet for the cereal grains of the area. Davenport has had a flour mill constantly since its founding, although the immediate countryside is no longer the important wheat-producing area that it once was. One large fruit and vegetable distributor with branches all over eastern Iowa furnishes an outlet for the few locally produced truck products, although most of its produce is shipped in from other centers. Several poultry and egg stations, branches of Chicago firms, can absorb all the poultry products produced nearby.

It would appear that seekers of professional help can find what they need in Davenport. Although at the present time their numbers have been greatly depleted, as they have in all communities, the medical, dental, legal and similar fraternities seem to be staffed with competent practitioners, both general and specialized. These practitioners find good accommodations in the fine office buildings that adjoin the shopping district. Two hospitals are available for the sick. However, with the present increase in population, there has been a shortage of hospital beds and facilities and it would appear desirable to provide more hospital facilities either by the expansion of the present two hospitals or by the building of a third.

One institution that has been prominently identified with Davenport for nearly fifty years is the Palmer School of Chiropractic. Between the school and clinic, many thousand visitors and students have been attracted to Davenport for periods ranging from a few days to several years. Within the grounds of the school is "A Little Bit of Heaven," a show place that has attracted as many as 100,000 visitors in a single season. The school also was a pioneer in the field of radio, establishing station WOC in the early days of radio. "Station WOC, Davenport, Iowa," was a familiar sound to early radio enthusiasts. Undoubtedly, this did much to advertise Davenport to the country at large. This powerful station serves Davenport and its trading area well.

Since its earliest days, the banking fraternity of Davenport has played an important part in the development of the city and its surrounding countryside. Cook and Sargent, Corbin and Macklot, Burrows and Prettyman and other firms were active in the private banking era of the eighteen forties and fifties. During the period of the late fifties and early sixties, the State Bank of Iowa, with Hiram Price of Davenport as president, was the dominant financial institution of the state. On June 29, 1863, under the presidency of Austin Corbin, The First National Bank of Davenport,¹⁰ the first bank organized under the new national banking act which was to go into effect two days later, commenced business. At one time, Davenport boasted of fourteen banks. At the present

time, there are three. Although these three banks would seem to be adequate as far as resources are concerned, one bank so dominates the scene that a virtual monopoly exists. This bank has practically ninety percent of the deposits and does about the same percentage of the total banking business. From the standpoint of economic stability it might be better if a more competitive situation existed.

In conclusion it would appear that Davenport is and always has been an important center for the retail trade. The reports of the state sales tax receipts indicate that Davenport has progressively increased its share of the state's retail business since the inception of the Act, April 1, 1934. Davenport has three and three-tenths (3.3) per cent of the state's population, but is now doing five and twenty-five hundredths (5.25) per cent of the state's retail business. (See Chart C on page 34.) Even this does not give a true picture, for many of the stores sell and deliver from ten to twenty-five per cent of their gross sales to Illinois consumers from whom they do not collect an Iowa sales tax. Davenport stores do not depend solely on Davenport residents for their patronage. As a result, lines of merchandise are carried in the downtown stores that could not be profitably handled in a city of 70,000 souls. Davenport is the shopping center of the Quad-Cities area.

The pattern of Davenport, the shopping center for the region, has been developed over a period of more than a century. Davenport has prospered as the downtown shopping center for the entire Quad-Cities metropolitan area. Its shopping center on Second Street is convenient and accessible. It would not appear that this development has reached its peak. Good as Davenport's shopping facilities are, they can be made better. It would appear that the efforts of the newly organized Davenport Planning Commission could be profitably directed in the direction of making downtown Davenport even more attractive to shoppers.

CHART A

Area	Population 1940	Number of Stores	Sales Add 000	Active Proprietor Unincor- porated Business	Number of Employees	Total Pay Roll Add 000
Total Metropolitan District	174,995	2,494	\$74,774	2,214	9,100	\$8,421
Davenport	66,039	887	34,266	755	4,372	4,159
Rock Island	42,775	617	15,847	551	1,845	1,731
Moline	34,608	588	18,212	512	2,163	1,918
Other Urban Areas of 2500 or more	18,492	263	4,768	259	557	486
Bettendorf, Iowa	3,143	35	887	29	95	99
East Moline, Illinois	12,359	189	3,335	191	370	322
Silvis, Illinois	2,990	39	546	39	92	65
Remainder of District	13,081	139	1,679	137	163	127
Scott County, Iowa	2,287	28	373	24	26	17
Rock Island County, Illinois	10,794	111	1,306	113	137	110
Percentage Distribution						
Davenport	37.7	35.6	45.8	34.1	48.0	49.4
Rock Island	24.4	24.7	21.2	24.9	20.3	20.5
Moline	19.8	23.6	24.4	23.1	23.8	22.8
Other Urban Areas	10.6	10.5	6.4	11.7	6.1	5.8
Remainder	7.5	5.6	2.2	6.2	1.8	1.5

Sixteenth Census, Census of Retailing

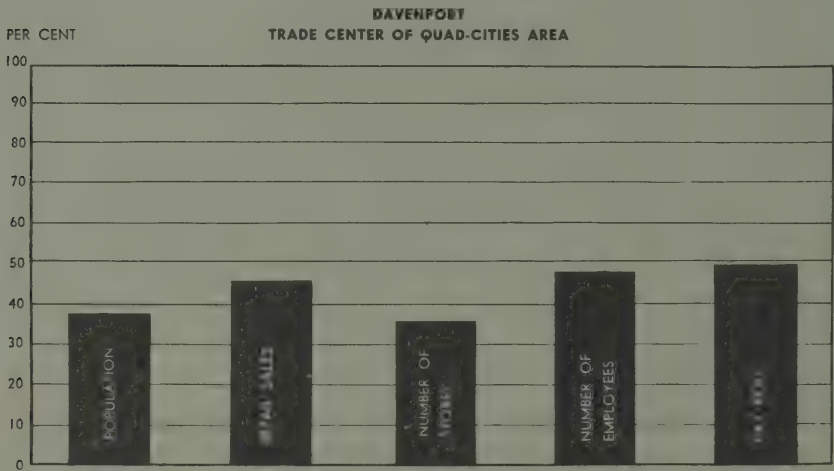


CHART B					Rock Island Per Cent		
	Last 000 Omitted				Davenport Per Cent		
	Davenport	Rock Island	Moline	Total	Davenport Per Cent	Rock Island Per Cent	Moline Per Cent
Population	66,039	42,775	34,608	174,995	37.7	24.4	19.8
Total all stores	34,266	15,847	18,212	74,722	45.8	21.2	24.4
Groceries (no meats)	641	327	362	1,330	48.2	26.4	18.4
Combination (grocery-meats)	4,863	2,533	2,462	10,916	44.5	23.2	22.6
Dairy products	733	351	245	1,329	55.2	26.4	18.4
Meat and fish markets	476	134	156	766	62.1	17.5	20.4
Other food stores	378	335	203	916	41.3	36.6	17.0
General merchandise (except variety)	5,492	1,824	3,167	10,483	52.4	17.4	30.2
Variety stores	864		560	1,424	60.7		39.3
Men's, boys' clothing	543	373	467	1,383	39.3	27.0	33.7
Family clothes	286		120	470	61.0		25.5
Womens' ready-to-wear	1,342	125	371	1,838	73.0	6.8	20.2
Accessories, other apparel	620	139	160	919	67.5	13.6	17.4
Shoe stores	533	182	299	1,041	51.2	17.5	28.7
Furniture, home furn'ing	1,030	186	470	1,686	61.1	11.0	27.9
Household appliances	882	415	409	1,706	51.7	24.3	24.0
Automotive group	4,524	2,600	2,318	4,854	45.9	26.4	23.5
Filling stations	1,808	1,099	1,243	4,150	43.5	26.5	30.0
Lumber and building material	1,343	1,092	1,153	3,934	34.1	27.8	29.3
Plumbing, paint, etc.	405	138	156	696	58.2	19.8	22.4
Hardware	212	97	90	438	48.4	22.1	20.5
Farm implements							
Restaurants	1,045	499	709	2,350	44.5	21.2	30.1
Drinking places	1,541	1,227	956	4,096	37.6	30.0	23.3
Drug stores	1,158	603	585	2,457	47.1	24.5	23.8
Liquor stores		494		494		100.0	
Fuel oil, ice, fuel	805	417	358	1,652	48.7	25.2	21.7
Feed stores	119		107	226	52.7		47.3
Jewelry stores	318	94	261	673	47.3	14.0	38.7
Books, stationery, office supplies	324			324	100.0		
Other retail	1,653	419	466	2,581	64.0	16.2	18.1
Second hand	83	30	59	172	48.3	17.4	34.3

Sixteenth Census, Census of Retailing

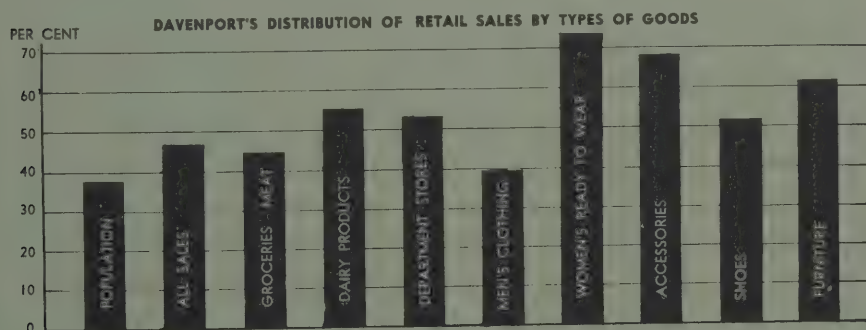
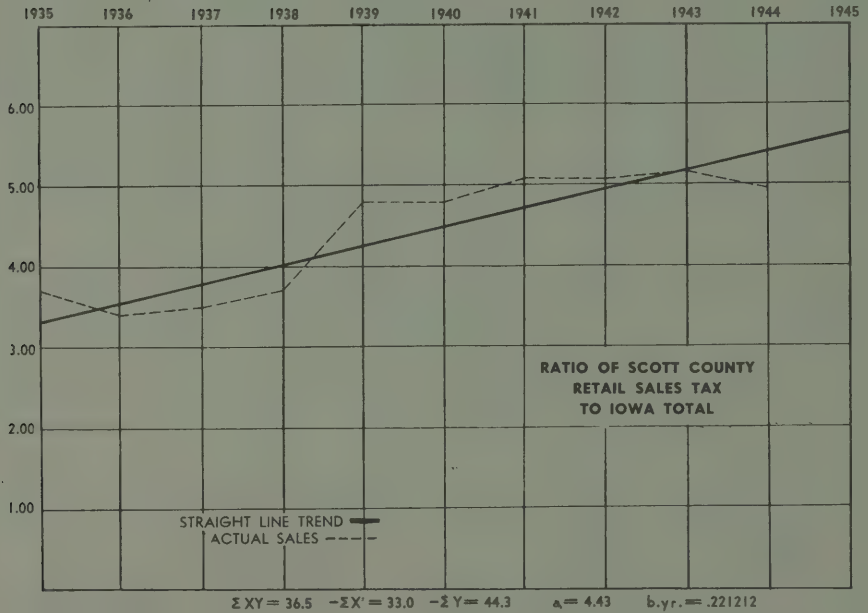


CHART C

RECORD OF SALES TAX PAYMENTS

Year Ending	Scott County	State	Per Cent of State
March 31, 1935	\$ 422,456.35	\$11,287,682.56	3.7
1936	458,051.09	13,444,356.14	3.4
1937	521,995.44	14,838,233.18	3.5
1938	525,516.33	14,210,624.67	3.7
1939	676,075.30	14,160,800.11	4.8
1940	717,729.38	14,976,287.98	4.8
1941	800,076.02	15,700,071.35	5.1
1942	950,407.77	18,545,247.22	5.1
1943	1,000,047.82	19,230,784.95	5.2
1944	1,078,070.93	21,430,345.03	5.0



FOOTNOTES

1. *The Specie Circular*, Act of 1837.
2. Harry E. Downer, *History of Davenport*, S. J. Clarke, Chicago, 1910.
3. J. M. D. Burrows, *Fifty Years in Davenport*, Glass and Company, Davenport, 1888.
4. Reverend Charles Snyder, "Antoine LeClaire," *Annals of Iowa*, Third Series, Volume XIII, No. 2.
5. From documents in possession of Parke Burrows, grandson of J. M. D. Burrows.
6. J. M. D. Burrows, *op. cit.*
7. *Rock Island Seventieth Anniversary Book*.
8. *Sixteenth Census*.
9. Reverend Charles Snyder, *op. cit.*
10. A. F. Dawson, *The History of the First National Bank in the United States*, Rand McNally and Company, Chicago, 1913.

CHAPTER III

WHOLESALE IN DAVENPORT

FEW PHASES of economic activity have undergone greater fundamental changes in the past half century than has the wholesale distribution of merchandise. The rapid change in transportation and delivery service brought about a marked reduction in the number of wholesale establishments. The growth of great merchandising chains who buy direct from producers, or who own their own producing organizations, has reduced the place of the wholesaler in many lines from his formerly exalted position. The development of great distributing organizations either as subsidiary corporations or departments by several industrial giants has made further inroads. Last, but by no means least, the financial instability of many small retailers has placed a too heavy burden on many wholesale firms.

Davenport, because of its strategic location, has been the beneficiary of many of these changes at the expense of other near-by cities. The development of the truck and hard roads has reduced the number of wholesale centers tremendously. The time was when almost every county seat town had its small coterie of wholesale establishments to serve the adjoining territory. Today, most of these little firms are out of business. Manufacturers prefer to deal with fewer distributors. Wholesale business of the country is being concentrated in fewer and fewer centers. This trend seems to be continuing.

The outstanding wholesale centers of the Mississippi Valley are Chicago, Minneapolis and St. Louis. Davenport, or rather the Quad-Cities, being approximately the middle of the triangle formed by these cities, has become a sub-distribution point for the immediate part of the country. Likewise, Davenport, being about midway between Chicago and Des Moines, serves as a good sub-distribution point on that line. The bulk of the wholesale business of the Quad-Cities is done in Davenport, although Moline and Rock Island contribute to the total. According to the 1940 census, the total wholesale business of the Quad-Cities was \$79,000,000 of which Davenport did approximately \$50,000,000 or 62.5 per cent.¹

The distance beyond which it is not economical for a wholesaler to operate varies with different lines of business, being dependent on freight rates and perishability, but a fair average would be one hundred miles. Travel and delivery expense much beyond that distance eat up profits. Davenport is 165 miles from Chicago, 177 miles from Des Moines, 331 miles from Minneapolis and 236 miles from St. Louis.² A circle of approximately one hundred miles radius will come fairly near the mid point between these various points. However, the wholesale district served by Davenport is not so geometrical a figure. It extends into Illinois far enough to include the cities of Sterling, Galesburg and Geneseo, up the Mississippi River to about the Iowa-Minnesota line, down river to the state line and west to Grinnell.

Although Davenport is recognized as a wholesale center, it is not the only wholesale center of its region. Cedar Rapids and Peoria, particularly Peoria, are also important distributing centers. The entire region looks to Chicago for many of its supplies, and to Davenport and other cities as sub-distributing points. Dry goods, ladies' ready-to-wear and similar shoppers' goods are purchased in New York, Chicago and St. Louis. Foodstuffs, automotive supplies, electrical appliances, paper products and other lines are distributed out of Davenport.

One of Davenport's important fields of distributive activity is in bulk petroleum sales. Six firms, located just above Bettendorf, distribute over one and a quarter million dollars worth of petroleum products annually. Most of the gasoline is barged up the river from the Louisiana or East Texas oil fields. The tank farm location, right on the river, gives a great advantage in respect to freight rates. The products are shipped out to retailers by truck or tank car, mostly by truck. This location, just above the intersection of the main North-South and East-West highways, gives good access to all nearby points by truck. At the same time, railroad tracks run through the area, providing good rail facilities.

One important market for many of the wholesalers in Davenport is the presence of the many large industrial concerns in the immediate area. These concerns buy supplies in sufficiently large quantities to give them a preferred place in the clientele of many large wholesalers. The presence of more than two hundred industrial plants of varying sizes creates a demand for such staple articles as paper towels, soap, small tools, nails, candy bars and bottled soft drinks. In addition, the large number of small neighborhood retail stores needed to supply the workers with convenience goods and necessities enables these same wholesalers to swell their sales volume to satisfactory figures. The latest United States Census estimate fixes the population of Scott and Rock Island counties at 211,000 (Series P-3, No. 31, December, 1942). This of itself creates a fair nucleus for a wholesale market.

Listed among the 139 wholesale establishments in Davenport are twenty-nine manufacturers' sales branches whose sales totaled nearly fourteen and one-half millions in 1939.³ Several of these concerns, such as Air Reduction Sales Company and Prest-O-Lite, furnish products that are primarily used by heavy industry. Other large national manufacturers maintaining distributory organizations are General Electric and Westinghouse Electric and Manufacturing, both being represented by their supply companies. Although these firms distribute and service the large number of appliances produced by their parent companies, they are also equipped to service the many industrial accounts of the region.

There are five concerns who are classified by the census as wholesalers who assemble farm products, ship them into eastern markets or redistribute them locally. The rich agricultural hinterland behind Davenport coupled with

its better than average transportation facilities makes the city a good location for such enterprises. In 1939 (United States Census) these five concerns grossed \$1,661,000.⁴ No later figures are available, but one firm head estimated the 1944 volume as at least twice the census figure due to the higher prices for agricultural products and the increased demand brought about by the war. He based this estimate on the business of his own firm and his general knowledge of the activities of the others.

In addition to the other wholesalers, the Census⁵ lists fourteen agents and brokers, who did a gross volume of six and one-half million. Although the report does not give any further particulars as to the type of commodities these agents sell, it is quite possible that several sell coal, coke, pig iron and similar basic raw materials to the various manufacturing establishments in the carload or larger lots. It would seem that the amount of industry located in the area would justify the presence of such brokers as well as several manufacturers' agents representing different machinery and equipment firms.

One trend that seems to be increasing is the use of sealed units in certain mechanical and electrical appliances. When the appliance breaks down, the entire unit is taken out and shipped back to the factory or service station and a replacement unit is installed. Several manufacturers of appliances have indicated their intention of installing complete repair and service stations in their regional distributing organizations to give fast repair service. At the present time, the delay involved creates a great inconvenience for the users of their products and one of their postwar plans is to speed their repair service. Their new products are too complicated or too finely adjusted to trust to neighborhood "handy men." The large concentration of population around Davenport should make that city a logical place for the installation of such service stations, particularly in view of the fact that there are now five appliance and allied line distributors well established in Davenport.

Certain service industries, although performing some manufacturing operations, fall into the category of wholesale businesses because the marketing and distributing problem is the most important in the consideration of the location of the plant. Perhaps the best example of this type of industry is the manufacture and distribution of fresh bread. Despite the great improvements in methods of packaging in the last few years, the speed with which the product can be transported from the oven to the consumer is of paramount importance. A loaf of bread more than twenty-four hours old becomes virtually unsalable.

In addition to several bakeries doing a relatively local business, Davenport has two branch plants of large bakeries doing a nation-wide business. One of these, the Continental Bakery, operates plants at Davenport, Chicago, Waterloo, Des Moines and Minneapolis. The Davenport branch serves a territory which includes Burlington on the south, Dubuque on the north, Freeport and Galesburg on the east, and a line just east of Iowa City on the west.

The combined population of the eighteen counties in Illinois and Iowa that comprise this territory exceeds six hundred thousand.⁶

Geographically, Davenport is near the center of this area. Any point in this region can be reached in three hours or less by truck from Davenport over the hard surfaced main roads. The bread trucks leave the plant in the early hours of the morning so that deliveries can be made to the various retail outlets as near opening time as possible. The arrangement of highways around Davenport makes fast delivery service relatively easy.

The same factors that make Davenport a good headquarters for bread baking also make it a suitable location for ice-cream factories, soft-drink bottling establishments and similar types of business activity. One additional service industry that depends on a large concentration of population, and which seems destined for great expansion in the postwar world, is the laundry industry. Several laundries now located in Davenport are contemplating expanding their services to make fast pick-up and delivery service throughout most of the wholesale area served by Davenport. The success of a similar institution at Waterloo has encouraged them to so expand their operations. They hope to be able to develop their business to such an extent that the economies of large scale mass operations will enable them to render a better service at a lower price.

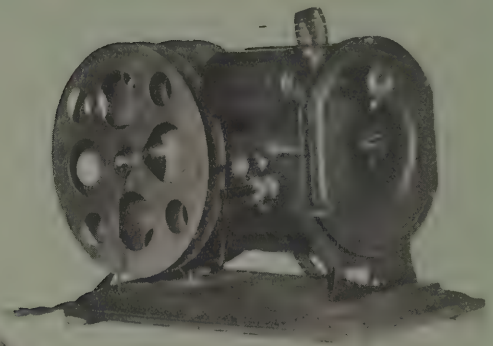
The large concentration of population within a relatively short distance of Davenport, coupled with the immediate presence of large industrial and institutional customers, makes Davenport a favorable location for wholesale distribution of commodities. However, the great wholesale center of Chicago is much too near to permit any great development of Davenport into a major wholesale center. Perhaps it could best be described as a regional sub-distribution point.

FOOTNOTES

1. *Sixteenth Census, Wholesale Trade, Iowa*, Department of Commerce, 1939.
2. *Rand McNally Road and Reference Atlas*, Rand McNally and Company, Chicago, 1942.
3. *Sixteenth Census*.
4. *Ibid.*
5. *Ibid.*
6. *Ibid.*



*First washer made by
William H. Voss.*



*Early motion picture projector
made by Alexander F. Victor.*



*One of the early steel wheels
made by French & Hecht, Inc.*

CHAPTER IV

DEVELOPMENT OF DAVENPORT MANUFACTURING

THE OUTSTANDING CHARACTERIZATION of Davenport's industry is its diversification. No single industry or firm dominates the industrial scene. One factory at the west end makes locomotives, while a near-by foundry is best known for its aluminum and brass castings. One old pioneer firm makes washing machines and a nearby shop makes men's wash pants to be washed in them. The Phoenix Flour Mill, like its mythical namesake, rose from the ashes of a previous mill.¹ Between the flour mill and a macaroni factory is a great wheel factory, while down the street a few blocks is the pioneer manufacturer of home motion picture equipment. At the present time, 131 factories employing over 10,000 workers manufacture or process a multiplicity of articles that range from tanks to ladies' lingerie, pork chops to fine tools and lady fingers to sash and doors.²

One reason why Davenport has prospered is that its industry has always been geared to the needs of its environment. Iowa has always been a great agricultural state. Davenport's industry has supplied its needs. Agriculture needed building materials and implements. Davenport's factories furnished them. Agriculture needed a market for its produce. Davenport's flour mills and pork packing plants furnished that. Horse-drawn agriculture needed saddlery and harness. A factory in Davenport made them. Farmers needed pumps and cooerage. They, too, were made in Davenport.

Because of the great need for building materials, a saw mill is frequently the first industrial project built on a frontier. This was the case at Davenport. In 1836, a Captain W. D. Clark established a small water power saw mill on Duck Creek just above Davenport.³ Local trees along the creek furnished him with his supply of raw material. Many of the pioneer buildings of Scott County and Davenport were built with boards from his little saw mill. Two years later, a small steam saw mill was set up just below Davenport in the then flourishing but now extinct town of Rockingham. This mill, too, made use of local trees, which were plentiful in wet, swampy land around Rockingham.

These were the humble beginnings of a great industry. The real beginning of Davenport as a saw mill town came in 1851, when Robert Christy built the "Stubbs Eddy" mill.⁴ Ten years later, this site, which was nearly perfect for a saw mill because of the eddy in the river, was acquired by the firm of Lindsay and Phelps, one of the great names in Mississippi River lumbering history.⁵ In 1854, Renwick and Son, later to become Renwick, Shaw and Crossett, established their saw mill. Schricker and Mueller established their mill in 1868.⁶ At the same time that the saw mill industry was developing in Davenport, the firms of Weyerhaeuser and Denkmann were growing up in Rock Island, Dimock and Gould in Moline,⁷ and all up and down the Mississippi River other

pioneer firms were establishing saw mills that were to make the river valley one of the great timber centers of the world. It took a lot of lumber to develop the West.

The demand for logs ushered in one of the most romantic periods in the story of the "Winning of the West"—the era of the great log rafts. Many of the early lumber men had migrated from the Adirondack forests and saw a similar wealth of timber in the great forests along the Chippewa, Wisconsin and other tributary rivers of the upper Mississippi. The lumbermen banded themselves together in the Mississippi River Logging Company, incorporated under the laws of Iowa, January 12, 1871, to exploit the timber resources of the north woods.⁸ This organization, under the presidency of Frederick Weyerhaeuser, administered the distribution of the millions of logs that were floated down the river in rafts to feed the hungry saw mills of its members.

In 1875, Davenport's mills sawed 40,500,000 feet of lumber; in 1880, 62,500,000; and in the peak year, 1892, 84,850,000 feet of lumber and 15,325,000 shingles were produced.⁹ Despite this large production, it appears that Davenport never produced more than fifteen (15) per cent of the river's tremendous lumber output. In 1892, the peak was reached. By 1895, production had dropped back to 66,000,000 feet and diminished rapidly after that. Two factors caused this decline of a great industry: the depletion of the forests and the halt of the rapid growth of the Middle West.

Some critics have condemned the early saw mill men for their short-sightedness in depleting and destroying the forests that supplied their mills. They also charge wastefulness. A descendant of one of the early saw mill men defends his predecessors in the following statement: "Grandfather and many of his associates were Adirondack lumber men. They expected the forests to grow right back as they had in the East. Instead, farmers moved in right after the timber crews. Today, much of that country is being farmed by Wisconsin or Minnesota dairy farmers. Besides, that lumber that went into the building of the cities and towns of the West is still in use. It was not wasted."¹⁰

Perhaps the most important factor in the decline and eventual disappearance of the saw mill industry was not the failure of either the timber supply or the firms but the sharp reduction in the demand for their products. The firms are still in existence and operating either in the South or Northwest or both. There is still timber up in Minnesota around Cloquet and other points. If it were needed, logs could be towed up the Mississippi from Arkansas and Louisiana forests. But about the turn of the century, the rapid growth of population of the agricultural Mid-West came to a halt. There has been little new building in the small agricultural towns of Iowa, Nebraska and the Dakotas since 1900. As a matter of fact, the population of the regions served by the old Mississippi saw mill firms has remained virtually stationary or even receded slightly since 1900.

Most of the timber sawed in the Tri-Cities was shipped out over the Rock Island Lines to build up the towns along its right of way. Most of the lumber that built the towns of Iowa City, Marengo, Grinnell, Newton, Des Moines and other towns along the Rock Island railroad came from the saw mills of Davenport and Rock Island. Likewise, much lumber for such Illinois towns as Geneseo, LaSalle and Peoria also came from these same mills. Even in Chicago, Mississippi Valley lumber competed with Wisconsin and Michigan lumber as that great city was being built. One interesting feature of the early lumber business was that none of the firms employed salesmen. The demand for their product was so great that buyers came to them for their supplies.

Nearly every saw mill town soon develops a coterie of woodworking firms. Davenport was no exception. Paralleling the growth of the saw mills, there developed sash and door makers, furniture factories and similar industries. They, too, found a ready market for their products in the rapidly expanding economy of the Mid-West. One of the fields of woodworking that developed in Davenport and was to have interesting ramifications in later years, was the cooperage trade. Many small firms making churns, tubs, barrels and similar products were prominent in Davenport in the sixties, seventies and eighties.

A city with many woodworking shops naturally develops some excellent craftsmen. Among these was William H. Voss, a skilled wood carver.¹¹ Mr. Voss had the misfortune of losing his right arm in an accident; or perhaps as it turned out, it was his good fortune. While recuperating from his injury, he was forced to stay at home with his mother. One day while watching his mother do the family washing, he was impressed with the fact that this was hard work. He put his inventive genius to work and in a few days he had built a crude washing machine which he gave to his mother. It was crude according to present-day standards, but it passed the acid test. It worked. On the next wash day his mother found out that she had been able to do the family washing in about half the usual time. Soon all her friends and neighbors wanted a washing machine. William H. Voss was in the washing machine business.

In 1877 he set up his first washing machine factory. Needing more help, he took his brothers, J. A. and F. P. Voss into partnership with him. By 1882, their plant had become much too small and a new one was built. In 1901, the partnership became a corporation, the Voss Brothers Manufacturing Company.¹²

The early market for washing machines was largely a farm market. Laundresses were cheap and plentiful in the period before World War I — for city people. But the farm wife had no one to help her. Mr. Voss would simply fill up a farm wagon with washers and go out in the country and sell them at \$10 apiece. Other Davenport woodworking firms that had been making churns, wooden tubs and tight cooperage also began making washing machines. By 1890, Davenport was the washing machine capital of the country, producing

60 per cent of the washing machines. The fact that the farm market was the principal market for washing machines explains why most of the pioneer washing machine makers located their plants in mid-western agricultural centers.

The early washing machine business was a woodworking industry. But after the development of the electric washer about 1905, the business rapidly changed over from a woodworking to a metal working operation. By the time this change-over was made, Davenport was already well established as a metal-working center.

One Davenport industry that developed out of the washing machine industry in a peculiar way was the sixteen millimeter motion picture industry. Mr. Alexander Victor, the inventor of the sixteen millimeter camera and projector, and founder of the Victor Animatograph Corporation, was first attracted to Davenport as an inventor for the White Lily Washing Machine Company. He invented and designed an electric motor to operate the washer. However, his great interest was in motion pictures. His primary interest was in the development of safe motion picture equipment for schools. As a result of his efforts, the first sixteen millimeter camera and projector ever produced were made in Davenport in 1923.¹³ The company, still under the presidency of Mr. Victor, remains a leader in the production of sixteen millimeter equipment for schools and industry and during the war has produced thousands of units for the use of the Army and Navy.

Another prominent Davenport business firm grew up by devious channels from a start in the lumber business. In 1859, James L. Davies, a skilled carpenter, arrived in Davenport, and after a few years' working at his trade, established himself in the saw mill business. He soon took in as a partner George H. French, a cultured and educated New Yorker who had migrated to Davenport a few years before. The firm of French and Davies continued until 1872, when Mr. French sold out his interest to Mr. Davies. After a short interlude as president of a newly organized railroad which subsequently became a part of the Milwaukee system, Mr. French helped establish the Eagle Manufacturing Company, makers of a general line of agricultural implements. Their principal items were rakes and similar equipment. His two sons, G. Watson and Nathaniel French, were associated with him in this venture.

The principal trouble with the agricultural implements at the time was with the wooden wheels. They were not strong enough to stand the rigors of field work in all kinds of weather. In 1873, J. R. Little of Quincy, Illinois, invented an all-metal wheel (Patent No. 273,746) which was a great improvement on the old wooden wheel, but it was expensive to make. W. P. Bettendorf, who was an inventive genius, put his talents to work. In 1884, he invented a machine (Patent No. 335,882) for putting spokes in the wheel; in 1885, he first invented a new type hub and later a whole new wheel. In 1886, a new partnership was formed, the Bettendorf Metal Wheel Company, consisting of G. Watson French, George H. French and W. P. Bettendorf. (From

original partnership agreement dated September 12, 1886, in the files of the French and Hecht, Inc.)

After the wheel company was in operation, the French family disposed of its interest in the Eagle Manufacturing Company to a group of Kansas City men so that they might devote their full attention to the wheel business. Their wheels were finding a great market, not only in Davenport agricultural implement factories, but also in the great factories across the river. In 1890, the Bettendorf Metal Wheel Company became a corporation. Shortly after the incorporation, Mr. Bettendorf, whose inventive genius kept him exploring new fields, withdrew from the firm to devote his energies to his newest invention, the metal freight car. In 1909, a new partnership was formed by the French family with J. L. Hecht as a partner. This new partnership became French & Hecht, Inc., September 1, 1927. On December 29, 1943, French & Hecht, Inc., became a subsidiary of the Kelsey-Hayes Wheel Company of Detroit.

After leaving the wheel business, Mr. Bettendorf and his brother, Joseph W., made several significant inventions in the field of railroad equipment. Their success resulted in the building of the huge Bettendorf Shops and the industrial suburb just east of Davenport, now incorporated as the City of Bettendorf. The plant was completed in 1910. The Bettendorf all-steel underframe and one-piece cast steel side frame became the standard of all American railroads, and the Bettendorf shops were one of the major industries in Iowa until the depression of the 30's.

Varied manufacturing operations, including production of internal grinding machines, turbine type pumps and bread slicing machines, were carried on in the Bettendorf plant until the outbreak of the war. Then this huge plant was purchased by the Government and all its facilities utilized, being assigned to International Harvester Company, Ordnance Steel Foundry Company and the Bettendorf Company for the production of Army and Navy equipment. The part operated by International Harvester has become known as the Quad-City Tank Arsenal.

The postwar disposition of this plant, and its effect on the employment situation in Davenport is one of the great problems that face the community. The plant is large and well equipped for heavy manufacturing with good overhead cranes, long, unimpeded stretches for assembly line work and ample switch track facilities. In addition to the Bettendorf Company's declared desire to reacquire its former facilities, at least one prominent manufacturer from a different section of the country has expressed an interest in it. However, until the Federal Government decides what disposition to make of the plant, the Bettendorf plant must remain one of the big question marks in the future of Davenport.

Another plant in Davenport that presents a problem to postwar planning boards is the locomotive plant, which is at the extreme other end of the city.

This firm's specialty is yard locomotives, ranging from twenty to forty tons. These locomotives are not used by railroads for road work, but they are largely sold to industry for yard and switch track purposes and to railroad lines for switching operations. This business was greatly depressed during the thirties, but since the outbreak of the war, has been operating at full capacity and has done more business in a few months than ever before in a good year. Locomotives are definitely of a durable goods nature, and unless a big export market is opened for them, it is questionable how they will fare in the postwar period. It is quite possible that the market may be flooded with products of this type.

Another Davenport industrial firm which, however, has little or no postwar conversion problem, is the Red Jacket Manufacturing Company, an old, well established pump manufacturer. Although Red Jacket has been in war work, as have most manufacturers, this company has continued to make pumps. In the meantime, because of the need for pumps on farms and the importance of farm efficiency, Red Jacket also has been furnishing pumps for its regular market. Moreover, the demand for pumps has piled up so that the company is reasonably assured of several years' good business in its regular domestic line, to say nothing of excellent export possibilities.

Any consideration of Davenport as a manufacturing center must give much thought to the farm implement giants across the river. The Quad-Cities have been called the Farm Implement Capital of the World. However, the farm implement factories are on the east side of the river. John Deere, International Harvester, J. I. Case, Minneapolis-Moline and other great plants are located in Rock Island, Moline and East Moline. These great internationally known concerns are the dominant forces in the farm implement business. These three cities are definitely industrial and their industry is largely centered around agriculture. Although the plants have been doing a lot of war work, they have also been doing some manufacturing of farm equipment, particularly tractors. They can reasonably expect a good business for some time after the war ends, both in the domestic and export markets. Many Davenport residents are permanently employed in the great factories across the river.

The presence of these great factories on the Illinois side brings a good deal of business to Davenport manufacturers as subsidiary manufacturers or sub-contractors. Davenport foundries and machine shops manufacture parts for the big factories. There are five foundries in Davenport and over thirty in the Quad-Cities. Not only do these foundries supply castings to other Quad-Cities manufacturers, but they also ship many castings, both grey iron and non-ferrous, into eastern markets. In addition to the foundries, there are various machine shops and drop forge works.

The presence of so much heavy industry in the area makes Davenport a favorable spot for light industry, although the greatly improved technology in the handling of materials makes it necessary to revise views on the work that women can do. As a result, there are a large number of bakeries, macaroni,

cracker, optical goods, rubber stamp, garment factories and other similar light manufacturing establishments in the city. Women of the area, in normal times, provide a good labor supply for these activities.

Davenport seems to be the center of operations in the Quad-City area for a large number of local service industries. Nine bakeries furnish bread, cakes, crackers and other bakery goods to the area. Five ice-cream factories, three large creameries, many candy and soft-drink makers help swell the total of industries which serve the local market created by the over two hundred thousand people that go to make up the Quad-Cities. Four daily newspapers and several job-printing establishments help swell the total of local service manufacturing establishments.

Because of the presence of the large number of bakeries, perhaps, there are two factories making bread slicers, and one that specializes in metal kitchen equipment. The large number of foundries and machine shops makes Davenport a good spot for small specialties of that type.

Davenport is a center of distribution for a number of national manufacturing concerns that do some processing there. Air Reduction, Linde Air Products, a division of Union Carbide and Carbon, Prest-O-Lite, Inc. and a number of the large petroleum products companies maintain distributing branches with some processing.

One of Davenport's earliest industries was the pork packing plant operated by Mr. Burrows. The Kohrs Packing Company carries on the tradition of a pork packing plant in Davenport for over one hundred years. A questionnaire sent out by the first city planning committee set up at the suggestion of the Committee of Economic Development brought a number of suggestions that Davenport should have a stock yards of its own. However, it is questionable whether another stock yards so near Chicago would be profitable as pointed out in a previous chapter.

* * * *

An industrial region is a complex economic structure. It takes more than one factory or one industry to make a real industrial region, but most industrial regions have some basic industry from which the entire structure has grown. The Quad-Cities have followed this pattern.

The basic industry of the area is commercial agriculture. The rich black prairie soil of the Upper Mississippi Valley has made it one of the great food-producing regions of the world. It might well be called the Ukraine of America. This great agricultural country needed a central market place—Davenport early became this market place.

Ordinary plows were not strong enough to cultivate prairie soil. John Deere invented a suitable plow and started to build it at Moline. The success of his enterprise attracted other enterprises; the success of farmers using his plow attracted other farmers. The increased production of the farmers created a need for other agricultural implements. One example would be the develop-

ment of the Eagle Manufacturing Company which was manufacturing hay rakes, cultivators, and similar equipment. But these implements had one great weakness, their wheels; and the French and Hecht Company grew up out of the need created by this weakness.

In like manner, many other industries such as the manufacture of churns, tubs, cooperage and even washing machines evolved out of the saw mill industry which was established to provide building materials for the pioneer.

As manufacturing became more complex, certain skilled specialists began to produce parts for several manufacturers. As such specialists, the example of foundries, machinists and tool makers might be cited. The presence of these specialists in turn attracted others. Over a period of more than a century, various rings of industries grew away from the original basic industry, much as the series of concentric circles that ripple away from a stone thrown in a quiet pool.

As industry develops, the central market place or heart area, assumes increasing importance. Factories require people to operate them. People have to have places to buy what they need. The stores and shops serving the needs of the industrial workers, too, require workers, and population grows.

A recent trend in industrial communities has been for new factories to be built farther and farther away from the business center, largely because land values tend to become too high for manufacturing purposes there. As a result, we see industrial suburbs which are in a large sense independent cities being oriented toward some phase of the basic industry.

An example of such a structure would be Detroit. At the present time, there are a few automobile factories in Detroit. More of them, however, are located outside of the city in such communities as Dearborn, River Rouge, Flint, Pontiac and others; but the entire region around Detroit from Saginaw to perhaps Toledo and over through central Michigan as far as Muskegon is filled with large and small manufacturing establishments primarily manufacturing parts or specialties for the automobile industry. Downtown Detroit is filled with department stores, office buildings, banks and specialty shops serving not only the city proper but the entire region.

A similar situation exists in Chicago. There are few great factories in Chicago proper, most of them located outside the city limits; but all around the city of Chicago there are a group of manufacturing cities from North Chicago on the north down through the Fox River Valley and east from there. Such cities as Aurora and Joliet, then east through Chicago Heights, Hammond and Gary look to Chicago and Chicago's loop as its heart.

The Quad-Cities' industrial region presents a similar picture. Rock Island and Moline are primarily industrial cities. East Moline, Silvis and Bettendorf are newer industrial suburbs of the older cities. As far away as Muscatine, Clinton and Rock Falls, we find many establishments whose primary orientation and principal market is the great group of factories centered in the Quad-

Cities. The people living in these several communities look to Davenport as the heart and market place of their region. Davenport's department stores, specialty shops and office buildings furnish their "loop." As these various communities prosper, their prosperity is reflected in prosperity for Davenport. Any change that helps any or all of these communities is beneficial to Davenport.

This great industrial community is not a new development. It has evolved slowly but steadily out of the basic needs which existed on the frontier one hundred years ago. As the frontier matured and developed, so has this industrial region matured and developed. As the needs of the region changed, the manufacturing has also changed; but the fundamental base of agriculture and its needs still remains. Davenport has prospered because it has served as the heart of this important dynamic region.

CHART A
GROWTH OF MANUFACTURING IN DAVENPORT AND SCOTT COUNTY

Year	Total	No. Wage Earners	Wages	Cost of Material	Value of Product	Value Added by Mfr.	Per Cent of State Value Added
1860	79	433	\$ 157,152	\$ 792,545	\$ 1,145,659	\$ 353,114	6.59
1870	341	1951	633,701	2,008,740	3,455,479	1,446,739	7.67
1880	241	1801	705,603	3,105,143	4,667,511	1,562,368	6.99
1890	504	4577	1,678,417	6,286,636	10,685,316	4,398,680	9.61
1900	470	4410	1,918,593	6,921,917	11,720,441	4,798,524	7.55
1919	243	5478	6,969,277	33,132,669	50,066,081	16,933,412	7.52
1927	175	5073	6,263,000	23,361,000	39,078,000	15,717,000	5.77
1929	190	6334	8,202,291	28,963,149	50,824,510	21,861,361	6.75
1931	158	4051	4,345,212	17,560,036	31,588,542	14,028,506	6.85
1933	125	3432	2,975,000	13,082,891	23,186,152	10,083,268	7.16
1935	124	3836	3,827,335	20,281,637	30,518,461	10,236,827	5.79
1937	126	4283	4,741,136	21,723,565	35,118,211	13,394,646	5.67
1939	130	4616	5,232,598	18,318,479	34,853,913	16,535,434	5.53

Census of Manufacturing, various years.

FOOTNOTES

1. J. M. D. Burrows, *Fifty Years in Davenport*, Glass and Company, Davenport, 1888.
2. *Davenport Aims at Tomorrow*, Davenport Chamber of Commerce, 1944.
3. George W. Hotchkiss, *Lumber and Forest Industry of the Northwest*, George W. Hotchkiss and Company, Chicago, 1898.
4. *Ibid.*
5. *Ibid.*
6. *Ibid.*
7. *Ibid.*
8. *Ibid.*
9. *Ibid.*
10. Mr. Edwin B. Lindsay of Lindsay and Phelps.
11. *Davenport Democrat*, May 30, 1944.
12. From records of Voss Brothers Manufacturing Company.
13. *Davenport Democrat*.
14. *Biographical History and Portrait Gallery of Scott County, Iowa*, American Biographical Publishing Company, Chicago, 1895.



Davenport is favorably situated insofar as all transportation facilities are concerned.

CHAPTER V

AN ANALYSIS OF DAVENPORT AS A MANUFACTURING CENTER

ANY ATTEMPT to evaluate a city in respect to manufacturing must take into account certain economic factors which have to do with its suitability as a manufacturing site. In his book on the factors involved in the location of industry, "Plant Location,"¹ Holmes lists seven main points to be considered. These are:

- I—Market
- II—Raw Material
- III—Transportation
- IV—Freight Rates
- V—Fuel and Power
- VI—Labor and Wages
- VII—Laws and Taxation
- VIII—Miscellaneous Problems

To evaluate a city under these classifications, one must take into consideration that different industries have different problems in the use of the several factors of production. In one industry, such as the reduction of aluminum, a cheap and abundant source of electrical energy is the prime factor, while in the food processing industries, the presence of the raw materials is most important. Other industries, such as, certain types of sewing trades, need a large and relatively cheap supply of labor and still others require the proximity of a great market to be successful. It would not appear that any city could fit neatly into such a pattern and be favorably situated for the most economical exploitation of all types of industrial development.

In this chapter, an attempt will be made to measure Davenport by the several yardsticks suggested to find what type of industries, if any, should be invited to locate their operations at Davenport.

It must be borne in mind that Davenport is not a new settlement, but a city of approximately seventy thousand (70,000) people that has evolved gradually over a period of more than a century. In addition, Davenport is an integral part of a much greater community and has its distinct functions in the life of this greater community. Some thought must be given to the industries already established and apparently prospering in the area. Some consideration must be given to their development, particularly if they are industries that fall in the general categories of the industries which should succeed in the area. If they are not, then the entire premise advanced by Holmes and others should be re-examined. But even if they are industries of a type for which the area seems favorable, some thought should be given to the question of whether or not additional plants of the same type would be successful in the area.

— I —

The first item mentioned by Holmes is "Markets." Davenport is situated at or near the extreme western end of the North Eastern industrial region or manufacturing belt. As such, it is situated to the west of both the center of population and the center of industry in the United States. However, both of these centers have moved westward in the general westward movement of the country, and if this trend were to continue, Davenport would find itself located increasingly near these centers.

The principal industry of the Quad-Cities' industrial area is the manufacture of agricultural implements. Four great internationally known manufacturers of agricultural implements are located in the area. Davenport is situated near the middle of the Inner Corn Belt, one of the richest agricultural producing areas in the world.² This is an area that is characterized by a high degree of mechanization on the farm. For access to this great farm market, few cities could be more strategically located than Davenport and the Quad-Cities.

This Inner Corn Belt is a region of many small towns but few cities. The Quad-Cities form the greatest concentration of population in the western half of the region, as does Indianapolis for the eastern. This region furnishes a large market for many other items than agricultural implements. The scale of living is relatively high and appears to be rising. With the growing trend of large-scale manufacturing toward decentralization, it would appear that Davenport and the Quad-Cities are favorably located for manufacturing, at least insofar as access to the markets is concerned.

The rich hinterland behind Davenport along the Rock Island Railroad has always furnished a market for the products of the city from the days of the peak of the lumber industry through the washing machine period down to the present. This should continue into the future.

— II —

In considering Davenport in relation to its access to raw materials, one must take into consideration the fact that different industries use different raw materials and in varying proportions. Also, in many cases, the finished product of one manufacturer is the starting material of another.

Davenport was originally a city of saw mills and food-processing plants. However, today the principal industries of the Quad-Cities area are metal working, with the manufacture of agricultural implements dominant. Washing machines, laundry equipment, metal kitchen equipment and laundry machinery are other important metal working industries in the area. These industries are furnished parts by nearly fifty (50) foundries, machine shops, forges, stamping mills and similar subsidiary plants. Most of the iron and steel for these comes from the nearby Chicago-Gary steel mills, 180 miles to the

east, although some comes up the Mississippi River by barge from the Birmingham, Alabama, mills. Because of the tremendous expansion of the capacity of all existing steel mills and blast furnaces during the war, it would not appear to be likely that any additional iron and steel-producing facilities will be built in the Mid-West in the near future. It is probable that the existing facilities in and around Chicago would be more than adequate to take care of the Quad-Cities' needs even if there should be a great expansion of the metal-working industries.

A second important raw material for the metal-working industries is coke. Central Illinois strip mine coal is found in large quantities near the Quad-Cities, particularly at Atkinson, thirty miles away, but unfortunately this coal, though suitable as a steam coal, is not a good coking coal. Most of the coke used is shipped by rail or barge from the Pennsylvania-West Virginia fields. It seems that Davenport is fairly well situated in regard to its needs for coke.

In the last few years, there has been some increase in the use of other metals in some of the plants in the area. At least one foundry, which has always specialized in small castings, is now doing considerable work in the production of non-ferrous castings. Although there is no production of aluminum nearer than the Tennessee Valley, it would appear that the supply would be adequate and the cost reasonable, particularly in view of the fact that such parts usually have a high value added by manufacture in relation to bulk.

If copper and bronze continue to gain in importance as a raw material for manufacturing, Davenport should find itself favorably situated. The principal domestic production of copper is in the western states of Arizona, Utah and Montana; all three states are served by the railroads passing through Davenport. Being located at the western boundary of the eastern basic freight-rate zone, Davenport would be advantageously situated for the manufacture of goods using copper.

Situated as it is in one of the richest agricultural regions in the world, Davenport is a natural food processing center. The early pioneers of Scott and the adjoining counties grew a great deal of wheat, as well as oats, barley and corn, but the present-day farmers find it more profitable to devote their production to corn and livestock. One hundred years ago, J. M. D. Burrows' Albion Mills flour was well known as far east as New York and was in great demand.³ The great wheat-producing regions of the country are now much farther west, in the winter wheat belt of Kansas and the spring wheat belt of the Dakotas. The Milling-intransit privilege gives Davenport a favorable position for the production of flour, particularly if wheat from the winter wheat belt is used. There are now two flour mills at Davenport. In addition, there is a large plant making cereal products.

It would appear that from the raw material point of view, Davenport is ideally suited for the processing of cereal products. In addition to the immediate countryside of Scott, Muscatine, Clinton, Louisa and other nearby

counties in Iowa, as well as the rich farming country of northern and central Illinois, Davenport can tap the great grain-producing areas of the Western Corn Belt, including its cash grain area in central and western Iowa. In addition, because of the peculiar confluence of railroads, it can reach out into the Great Plains region. Davenport's three railroads, the Rock Island, Milwaukee and Burlington are all important grain-hauling roads and can bring in most of the grains that could be used in any processing industry.

In the last decade, there has been a significant increase in dairying in Northeastern Iowa. At the present time, both the Iowa-Illinois Milk Producers Cooperative and the Beatrice Creamery Company operate creameries and casein plants at Davenport. Most of the butter produced is shipped into the eastern part of the United States. Both concerns contemplate expanding their present operations when men and materials are again available. Even though the local farmers' production of milk has increased markedly in the last few years, it is still necessary for the fluid milk dealers of the Quad-Cities to ship in milk from the Chicago milk shed to satisfy the demand.

Davenport is favorably located for plants using fluid milk as a basic ingredient. In recent years, the farmers of northeastern Iowa have been improving their herds both qualitatively and quantitatively because much of the terrain between the Mississippi and Cedar Rivers is highly suitable for grazing purposes and because of the regular income provided by a monthly milk and cream check.

It is evident that the proximity of raw materials, other than perishable agricultural products has had little influence in the location of industries at Davenport or the Quad-Cities, either at present or in the past. It appears that some of the other factors have been of greater importance in the decision of industries to locate there.

— III —

The factor of transportation has historically played an important role in the economic life of Davenport. The Mississippi River served both as an avenue of transportation and a barrier. As the pioneers crossed the Mississippi and settled on the rich land beyond the river that was opened up by the Blackhawk purchase, Davenport became their service center. The presence of the Upper or Rock Island Rapids made Davenport a logical stopping point for up-river traffic. The bays or eddies on the Davenport side made good terminals for the boats. It was the Mississippi that made the industrial enterprises of Burrows and other pioneer enterprisers possible. The flour and salt pork produced were shipped down the river to a market. The steamboat brought in the merchandise sold in the store as well as the new citizens to trade. A little later, the logs from the north were floated down the river to feed the great saw mills. The great inland waterway system of the Mississippi was the principal avenue of commerce of the West and Davenport was an important point.

Despite the fact that the romantic days of steamboating on the river seem to have passed into the limbo of the stagecoach and pony express, the ungla-morous but highly utilitarian towboat and barge hauls more tonnage up and down the Ohio and Mississippi Rivers than did the packets of Mark Twain's time.⁴ For bulky freight where the time element is not important, the waterway fur-nishes good, cheap transportation. Coal and petroleum products are two im-portant sources of river tonnage although some pig iron from the Alabama steel mills is now coming in by barge. Some cement is also shipped out by barge. The present nine-foot channel is adequate for the towboat and barge type of traffic that is now in use, particularly in view of the fact that these vessels were built for just that traffic. If the new twelve-foot channel is com-pleted, it will be possible for small ocean-going vessels to call at Mississippi River points. This will be particularly valuable when agricultural implements and equipment again are exported.

Since that day in 1856 when the first train crossed the Mississippi on the first bridge built over the river, Davenport has been an important Rock Island Railroad city. At Davenport, the two main divisions of the railroad, the Rocky Mountain and Southwestern Divisions, separate. A few miles west of Davenport, the Northwestern branch leaves the main line. As a result, the bulk of traffic on that great system is funnelled through Davenport. Al-though the Rock Island is the dominant road through the city, two other great systems, the Milwaukee and the Burlington, serve the city also. In addition, the Davenport, Rock Island and Northwestern furnishes switching service for the Quad-Cities area. These railroads have their tracks so dispersed through the city as to give access to the several industrial areas.

These three Class I railroads, with their various connections, give Daven-port better-than-average rail service to all parts of the country. The Burling-ton gives good access to St. Louis on the south and Minneapolis and St. Paul on the north with the numerous connections available at those points. The Milwaukee also gives good service to the north and connects with its Kan-sas City line at the south. The Rock Island dominates the east and west traffic, although as a matter of fact, the Burlington has the shortest haul into Chicago.

The Rock Island maintains its shops and freight classification yards at Silvis, a part of the Quad-Cities region. Many freight shipments are broken down or consolidated at these yards. The Milwaukee also has a smaller yard south at Nahant also in the region. These yards, coupled with the switching and car-spotting service of the Davenport, Rock Island and Northwestern, give the Quad-Cities railway freight service that would appear adequate for its present needs and capable of great expansion as conditions demand.

One of the important developments of the past twenty-five years has been the evolution of highway traffic. The shortest and most direct route from Chicago to Omaha, Cheyenne, Salt Lake City, San Francisco and other western

points is Route Thirty-Four from Chicago to Mendota, Ninety-Two from Mendota to Moline, and Six from Moline to Omaha.⁵ Highway Six has two routes, one over the toll bridge, through Bettendorf and around Davenport on Kimberly Road, and the alternate city route through downtown Moline, Rock Island, across the government free bridge in downtown Davenport and out along Brady Street to a junction just west of the city limits. However, Davenport-bound traffic from the east can avoid the long drive through Moline and Rock Island by crossing the Bettendorf toll bridge and come into Davenport along the river.

A group of Rock Island business men are trying to arrange to have Highway Six rerouted so that it will come into Rock Island from the south through Milan, cross into Davenport on the Centennial, a toll bridge, and connect up with the present highway on Harrison Street. It is questionable, however, if this change would particularly benefit either Rock Island or Davenport as there is little through traffic on Highway Six from the east. Most traffic by-passing Chicago on Six goes up to Thirty-Four either on Forty-Five or Eighty-Three to avoid the big swing south on Six through Joliet. Most traffic on Six would be from points not east of Ottawa.

Highway Sixty-One, which connects the Twin-Cities and St. Louis, runs through Davenport, giving good access to north and south points. These two main highways connect up with other main traffic routes to give Davenport reasonably good motor routes to all parts of the country.

Davenport's fourth transportation resource is still in the developmental stage. The present Quad-Cities airport, located at Moline, has not been adequate nor usable much of the time. However, when the new Mount Joy airport is completed, Davenport and the other cities should have good air transport conveniently located.

Taken as a whole, Davenport is favorably situated insofar as transportation facilities are concerned, having water, rail and highway facilities now available and a reasonable prospect of greatly improved air transport facilities in the near future.

— IV —

In considering the question of freight rates, Davenport has a peculiarly favorable situation: it is the extreme western point of the Basic Rate Territory.⁶ It is one of the few Iowa cities that enjoys that situation. This is largely due to the efforts of Mr. George M. Cummins, Traffic Manager of the Davenport Chamber of Commerce. This gives Davenport manufacturers a distinct advantage over competitors to the west of them. In the case of production for a market to the west, using raw materials or semi-manufactured goods from the east, they are able to bring them the farthest west possible under the lowest freight rates. At the same time, they would have a shorter haul under the higher rates than a producer to the east of them. This undoubtedly

is one reason for the dominant position of the Quad-Cities in the production of agricultural implements and machinery.

The availability of barge transportation gives Davenport shippers an opportunity to have carriers competing for their shipments. The competition is now three-way, and will quite possibly be four-way as soon as air freight becomes more common, although it is doubtful if air freight, at least on bulky goods, will ever be competitive with water and rail.

— V —

Davenport has always been blessed with an ample supply of usable coal near-by. At the present time, much of the coal used comes from the strip mines at Atkinson, Illinois. This coal is cheap at the mines and comes in at a freight rate of from seventy-five cents to a dollar per ton. This coal is not of high quality, but it is usable as a steam coal with proper equipment. For those desiring a better grade coal, southern Illinois shaft mine coal can be barged in at a low rate.

The original establishment of industries at Moline was largely to take advantage of the water power furnished by the Rock Island Rapids. However, although there is still some water power used, less than five per cent of the electric energy used in the Quad-Cities is hydro-generated. The presence of cheap coal near-by coupled with the practically unlimited water supply for cooling the generating equipment furnished by the Mississippi River makes the Riverside plant of the Iowa-Illinois Gas and Electric Company one of the most efficient in the entire system. The plant is so situated that it is capable of almost unlimited expansion if the demand should warrant it.

— VI —

In considering labor as a factor in the industrial life of a city, it is necessary to examine it from three points of view: quality, quantity and price. There are some industries, such as fine tool making, that require workers with a high degree of skill. There are others, in which there is much material handling and moving that require many workers, but they need not be possessed of any particular skill.

An old industrial community tends to build up a supply of labor with the necessary skills. Davenport and the Quad-Cities have been an industrial region since their establishment, gradually evolving from a lumbering center into a metal-working center with a strong bias toward the production of machinery. The success of many of the old firms in the area should indicate that the workmen possess the necessary skills. The first sixteen millimeter motion picture camera was made in Davenport, and its producer is still actively engaged in the manufacture of these cameras and projectors. Another manufacturer is a large producer of rotary files, precision cutting tools. These industries require highly skilled workmen. They have been able to find them in Davenport.

During the war emergency, many of the traditional skills have been broken down into their component parts, and unskilled workers have been trained to do more exact work. The vocational training facilities of the Davenport High School have been employed to help produce workers with the required skills. Many night classes have been made available for day workers who wished to take advantage of the opportunities for self-help. Some classes have even been conducted during the hours after midnight to accommodate those workers who could not come at other hours.

One of the plans under consideration by the Davenport Board of Education and the City Plan Commission for postwar development contemplates the construction of a new high school plant and the conversion of the present one to use as a vocational high school. Such a program should assure Davenport industries an adequate supply of workers with the necessary skills.

Except in times of acute worker shortages such as occasioned by war, the quantity of workers should be more than ample. Historically, all industrial centers have been much more concerned with the problem of providing full employment than that of a labor shortage. In the event of a labor shortage, the competition of the various producers would tend to drive wages up which would attract other workers into the area. Davenport's experience during the war when they increased the number of gainfully employed by nine thousand (9,000) workers despite a loss of eight thousand (8,000) to the armed services with a gain of population of only five thousand (5,000) would indicate that there is an employable surplus when conditions are attractive to workers.⁷

One thing that has characterized Davenport's industries has been the relatively low rate of labor turnover, at least before the war. A recent survey made of a large Davenport foundry indicates that the average length of employment of all workers is six and one-half years. This survey was made during the summer of 1944 when the defense industries had many new and temporary workers. The officers of other Davenport manufacturers indicate that they, too, enjoy similar low rates of turnover. Perhaps one reason for this is the fact that Davenport has always been known as a city of home owners.

In considering the price of labor, there are a number of things to be taken into consideration. Any consideration of labor must take into account the productivity of labor. There is a tremendous difference between cheap labor and low labor cost. In many situations, labor is cheap because it is unproductive. In other situations, labor, although paid at a high hourly wage, is so productive that the result is a low labor cost per unit of product.

Because of the Law of Variable Proportions, producers have always tried to use large quantities of the most plentiful, and therefore the cheapest factor of production and restrict the use of the scarcer and more expensive factors to the barest possible minimum. Inasmuch as labor has always been relatively scarce in the United States, at least in comparison with certain Oriental coun-

tries. American producers have counteracted this competitive situation by using labor-saving machines. As a result, industries like silk culture and the production of lace have never been successful in this country even though we have been able to produce the basic raw materials. We have considered it more advantageous to concentrate our efforts on producing automobiles and machinery in which we have a comparative advantage and exporting them to other countries for their hand-made articles. Hence, in normal years, we always were large importers of silk, even though we could grow silk worms and mulberry leaves in this country.

The industries of Davenport and the Quad-Cities follow the characteristic pattern of American industrial life. They are industries in which highly mechanized technology is the rule rather than the exception. In the production of agricultural implements, washing machines, motion-picture cameras and the other products made there, large use is made of the latest and best machines to the greatest extent possible. Hand work is kept at a minimum.

Present-day economists have pretty largely rejected the Subsistence Theory of Wages of Malthus in favor of the Marginal Productivity Theory first voiced by Von Thunen.⁸ This theory holds that wages will be equal to the worker's addition to the total product. Inasmuch as this can only be determined by the increment of the marginal worker, it is the addition of the marginal worker that determines the wage to be paid to all the workers in an industry. Hence, any improvement in technology that makes workers more productive will in the long run be reflected in higher wages.

In attempting to evaluate wage costs in the various parts of the country, the National Resources Planning Board has prepared a map showing "Ratio Index of the Value Added per Dollar of Wage Costs in Manufacturing in Various Areas and Sub-Areas."⁹ These index numbers are based on data presented in an article in the Monthly Labor Review of May, 1940.¹⁰ These index numbers are based on a figure of 100 for the main northern industrial area, consisting of Illinois, Wisconsin, Indiana, Michigan, Ohio, Pennsylvania and New York. The territory known as Northwest Central, in which Davenport is situated, shows an index of 106, indicating a six per cent advantage in wage rates over the territory to the east. These figures were compiled before the war and do not represent the influence of the present emergency on wage rates.

At the present time wages in some of the defense industries have risen to a high level—to some critics an alarming level. This rise has been due to several forces. The manpower shortage and need for workers in defense industries has forced wages up to attract the necessary workers. War-time economy—because it is seldom competitive and also because the costs of losing a war seem so much greater than the costs of fighting it that the public is willing to pay any price for victory—has also been a factor. While it is very true that wages, at least in some lines, have risen to an all-time high in Davenport, it does not ap-

pear that this situation is confined to the Quad-Cities area. The same situation seems to hold true in every industrial center in which the production of goods for war purposes is carried on. It is doubtful if the situation is any worse in Davenport than in other defense centers. In fact, it is probably more favorable in Davenport than in some of the newer industrial developments.

It is quite possible that the present war emergency has broken down this regional difference in wage rates. The high wages being paid in certain areas have attracted workers from lower pay regions and jobs, virtually denuding many areas of labor. Many of the greatest defense industries, particularly airplane and shipbuilding, have located in the traditionally low wage areas of the Gulf and Pacific Coast. Prior to the war, these areas showed a wage to productivity index number ranging from 108 to 118. It would seem quite likely that there will be much greater uniformity in wage rates throughout the country after the present emergency has passed. Modern transportation and communication facilities have made labor far more mobile than ever before. It is doubtful if these differentials in wages and productivity will continue.

In the past, Davenport has enjoyed a competitive advantage in wage rates, measured in terms of the productivity of labor. It is quite possible that that advantage will disappear in the postwar world, but it seems probable that the region will not be at a competitive disadvantage. Inasmuch as the principal industries of the area are ones in which the labor cost ranges from twenty-five (25) per cent to thirty-two (32)¹¹ per cent of the total value of the product, it would appear that the other factors have at least equal importance with the rates of wages.

Davenport is an integral part of a metropolitan area of 211,000 people and as such should have sufficient population to provide for its labor needs. While it is not safe to predict future population growth on the basis of the past, particularly by simple extrapolation, it is reasonable to assume that the region will continue to grow adequately for any employment needs. The trade schools and established industries in the region should continue to supply enough skilled and trained workers at a price that is at least competitive with other industrial sections of the country.

— VII —

There are few particular Iowa laws or local ordinances that work a hardship on Davenport industries. In fact, the contrary is probably true. The benefits paid are lower and the waiting period longer under the Iowa Workmen's Compensation Act than under the Illinois law. Perhaps this is because the labor lobby in Iowa is not as powerful as in Illinois and therefore there is little or no class legislation solely in favor of labor in Iowa. Davenport is a special charter city and as such enjoys a relatively high degree of local autonomy insofar as local laws and ordinances are concerned. The zoning laws

create no hardship on industry. All in all, it does not appear that there are any legislative barriers to industry in Davenport and in certain respects, particularly in the matter of Workmen's Compensation Insurance Premiums, Davenport manufacturers are at an advantage over their competitors in adjoining states.

In the matter of taxation, however, a Davenport producer is at a distinct disadvantage in competition with his competitors across the river. Tax rates in Moline and Rock Island are approximately two-thirds of what they are in Davenport.¹² In addition, Iowa has a state income tax on both individual and corporation incomes. This makes the tax burden considerably higher on properties in Davenport than on similar properties located across the river. This has resulted in certain plants and individuals locating in the other towns to reduce their tax burden. While it is quite possible that the taxpayers receive more and better governmental services for their increased expenditures, these are not so evident as the larger tax bill.

One of the superior services is found in the fire protection. Davenport is rated as a class four city by the National Board of Fire Underwriters, which is unusual in a city of its size, most similar communities being rated class five. This would mean a difference of about two cents for each one hundred dollars of value in fire insurance premiums on residence properties. However, inasmuch as industrial and commercial properties are specifically rated by state rating bureaus and the rates are based on the actual hazards found in the property, it is doubtful if this difference in fire protection would be a significant benefit to Davenport. This would be doubly true if the plant in question was a modern plant equipped with automatic sprinklers and other fire protective devices.

— VIII —

Under the heading of miscellaneous problems, there are several aspects to be considered. One of the most important would be the facilities already offered by existing industrial establishments. Davenport is blessed with an unusual number of subsidiary establishments such as foundries, machine shops and similar parts makers. These firms are well established and enjoy a favorable reputation in their respective trades. They are equipped to make a variety of parts from a tractor wheel to a spindle for a motion picture projector. The foundries are equipped to cast almost anything from large steel parts for armament to tiny lock parts. The machine shops have had experience and have the men and equipment to finish such varied articles as knives for automatic bread slicers to brake shoes for large automobile trucks and trailers.

The services these existing producers are equipped to offer would be of great value to a producer of metal specialty items who for reasons of managerial economies saw fit to sub-contract the production of some of his parts. In fact, unless he were able to produce these parts himself in sufficiently large

quantities to justify the construction of an efficient plant, it would probably be uneconomical for him to do otherwise than buy them from established producers.

Another favorable aspect of Davenport as a site for industry is the attitude of its citizens as expressed through the activities of its Chamber of Commerce. This organization enjoys the hearty financial support of the leading citizens and business firms and its activities extend into almost every phase of civic and business life of the city. It occupies its own three-story building and is the scene of daily meetings and luncheons of the business and professional groups of the city. Its various bureaus such as the manufacturers' and retailers' bureaus play an active part in the promotion of the interest of the members. The traffic bureau has been instrumental in securing favorable freight rates and classifications. The professional staff seems capable and ample, although it is expanding and looks to further expansion. It is a distinct asset to the city and the community.

Although capital is the most mobile of all the factors of production and can usually be secured in adequate amounts for any enterprising, legitimate business, Davenport seems to be more fortunate than most communities as far as finances are concerned. The local banks should be adequate for the short-term needs of the city and several branches of large national investment banks and life insurance companies should be able to provide the long-term capital as needed. In addition, there are a number of well-to-do men in the community with investable funds to help local industries if the situation seems to warrant. While it is quite true that some Davenport industries lack adequate capital strength, it is probably due to some managerial weakness rather than lack of proper investment funds in the region.

Last, but by no means least, in the miscellaneous factors to be examined is the simple fact that Davenport is considered not only by her own residents but the residents of nearby cities to be a good place in which to live. It is a city of nice homes, both large and small, good churches, schools, lodges and civic societies. Its parks are well located, attractively maintained and spacious. At least two municipal golf courses provide sporty play for those who are not members of the private clubs. A municipal natatorium affords pleasure for hundreds during the summer months. For those whose tastes run to more cultured pursuits, a large and well stocked public library, an art gallery and a museum of natural history afford pleasure and knowledge. A look at Davenport from the site of old Fort Armstrong shows just what it is—a prosperous, busy and well developed city.

FOOTNOTES

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5. Chicago Motor Club.
6. S. Miller, *Inland Transportation*.
7. *Davenport Aims at Tomorrow*, Davenport Chamber of Commerce, 1944.
8. Johann Heinrich Von Thunen, *Der Isolierte Staat in Beziehung auf Landwirtschaft und Nationalökonomie*, Rostock, 1826.
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12. Davenport Real Estate Board.



The pattern for Davenport's development has been set.

CHAPTER VI

CONCLUSION

FROM ITS earliest days, Davenport has served the needs of its region well. The Louisiana Purchase and the War of 1812 secured the rich Mississippi Valley for the United States. The Blackhawk War opened it up to settlers. The coming of the settlers called for the establishment of a trading center on the west bank of the great river. The presence of Fort Armstrong on Rock Island and the barrier to upstream navigation, the Rock Island Rapids, made Davenport the natural spot for such a center.

Both LeClaire, at the upper end of the rapids, and Rockingham, opposite the mouth of the Rock River, antedated Davenport as established communities but neither developed. In fact, Rockingham was soon abandoned as a site because it was situated in a swamp. The Cook family, who were to play an important role in financial and legal circles in Davenport for the next century, were among the early settlers in Rockingham who recognized the advantage of Davenport and moved. The hills of Davenport were beyond the reach of the worst floods.

The forces of geography gave Davenport a comparative advantage over its neighbors; the vision and genius of the early settlers enabled them to recognize and capitalize on this advantage. These early pioneers were more than frontiersmen—they were builders of a civilization. They brought with them a culture and sophistication that was not known to the frontiersmen who opened up the early West with axe and rifle. They knew that the West was going to grow and prosper and they determined to make their city the cultural as well as the commercial center of that growth.

Davenport was established at the right time to be one of the great beneficiaries of a phenomenon of population growth that is one of the miracles of the nineteenth century. This phenomenon probably will not repeat itself. The period from the close of the Napoleonic Wars until the end of the century was one of chaos, revolution and famine in much of Europe. This was particularly true after the Revolution of 1848. At the same time, the great agricultural Mid-West was being opened for settlers. Steamship, railroad and land companies sent their agents to Europe seeking new settlers. In the last half of the nineteenth century, the population of Iowa multiplied more than ten fold. It is small wonder that Davenport grew and prospered during the same period.

Every train and every steamboat brought immigrants into the New West. Because of its strategic location, most of them passed or stopped at Davenport. Most of them went on to settle on the land, but many stayed. During the same fifty years, the population of Davenport grew twenty-five fold.

It took a lot of goods and services to supply this tremendous wave of immigrants. Davenport's businessmen prospered. It required special plows and tools to work the rich black prairie soil. John Deere in Moline and others in Davenport built and sold them. It took a lot of lumber to build the farms, towns and cities of Illinois and Iowa. Saw mills in Rock Island and Davenport shipped it out along the Rock Island Railroad.

The early settlers of Eastern Iowa were good farmers, but they needed a market for their crops. They had to sell before they could buy. At the same time the great manufacturing cities of eastern United States and England which were evolving out of the Industrial Revolution needed bread stuffs and other foods to feed their workers. Davenport business men soon developed facilities to buy, process and forward this produce.

The development of Moline and Rock Island has helped the growth of Davenport. These two Illinois towns have largely been devoted to industry. Moline, and now East Moline and Silvis as well, have grown up to a very large degree around the John Deere Company and its subsidiaries. The presence of this steel fabricating organization has attracted similar concerns. Rock Island received its great impetus from the great Weyerhaeuser and Denkmann interests coupled with the Rock Island Railroad. Both of these cities have throughout their history been specialized industrial cities, rather heavily dominated by one or two concerns.

The relationship of Davenport to the two Illinois cities has been complementary rather than competitive. The downtown shopping district of Davenport has served the shoppers on both sides. Many of Davenport's factories have prospered, making parts for the great factories east of the river. The big office buildings house the professional and semi-professional men that serve the entire region.

Downtown Davenport is accessible to the entire region. The railroad, the ferry, the highways and bridges are all situated to make it easy to get to the main business district.

Davenport-Rock Island-Moline, although by the accidents of geography and politics, three separate cities, are in reality one great trading and manufacturing center of over two hundred thousand people. The United States Census department recognizes it as such. This center serves an immediate market area comprising two hundred thousand, but it is also the nearest center for a population that exceeds six hundred thousand. Each of these cities serves its function in this great market area. Davenport is the trading and shopping center.

Davenport has grown and prospered for more than one hundred years because it has recognized and served the needs of a great inland empire. The pattern has been set. As transportation has improved, shoppers travel farther from home to get a wider selection. Davenport is now entering its second

one hundred years better equipped than ever before to continue to serve the needs of the great industrial and agricultural empire called the Mississippi Valley. Its market area is great and well populated. It only waits for further development. At the beginning of Davenport's first century of progress, her manifest destiny attracted men of genius and vision who built well. At the beginning of the second century, she is blest with the descendants of these same men to carry on the proud tradition.





Aerial photograph of Davenport in 1945.

